

IN THE CHANCERY COURT FOR JEFFERSON COUNTY
AT DANDRIDGE, TENNESSEE

THE DOUGLAS LAKE RESORT)
OWNER'S ASSOCIATION, INC.,)

Plaintiff,)

v.)

NO. 12-CV-117

DESTINY OF TENNESSEE, LLC f/k/a)
DESTINY, INC., LAKE CASA LIMITED)
PARTNERSHIP, ABBACUS HOLDINGS,)
LTD. [sic] et al.)

Defendants,)

DESTINY OF TENNESSEE, LLC f/k/a)
DESTINY, INC., LAKE CASA LIMITED)
PARTNERSHIP,)

Cross-Defendants,)

ALLEN L. HOOD)
1529 Tan Bark Way)
Sevierville, Tennessee 37876)

Third Party Defendants.)

CLERK OF COURT

AUG 25 2019
2:50 P.
HOUR
NOTED & RECORDED
CLERK OF COURT
JEFFERSON COUNTY, TN

TRANSCRIPT OF PROCEEDINGS

August 16, 2016

This is a true and perfect copy of the original
filed in this office.

This 15th day of OCTOBER 20 19.

Nancy C. Humbird C & M

THOMPSON & CHILDRESS COURT REPORTERS
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APPEARANCES:

MR. DOUG E. TAYLOR
Attorney for Abbacus
Holdings, Ltd. [sic] et al.

MR. ALLEN HOOD
Pro Se

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1 This case came on to be heard on the 16th
2 day of August, 2016, in the Chancery Court for
3 Sevier County, Sevierville, Tennessee, before the
4 Honorable John Fowler, presiding.

5 The Court having been duly opened, the
6 following proceedings were had, to wit:

7 (The prospective witnesses were sworn.)

8 THE COURT: First off, do you want to make a
9 motion for continuance that I'm going to overrule?

10 MR. HOOD: Okay. Is that what I do?

11 THE COURT: So you're making this motion for
12 a continuance.

13 MR. HOOD: Making a motion for a continuance
14 based on lack of counsel.

15 THE COURT: Okay. And you're Allen Hood --

16 MR. HOOD: Yes, sir.

17 THE COURT: -- that's some kind of officer
18 with Destiny?

19 MR. HOOD: I'm sorry?

20 THE COURT: What's your position with
21 Destiny?

22 MR. HOOD: Owner.

23 THE COURT: Okay. Overruled. Call your
24 first witness.

25 MR. TAYLOR: Are you going to swear him?

1 THE COURT: Are you going to testify.

2 MR. HOOD: Do I have to?

3 MR. TAYLOR: I may call him.

4 MR. HOOD: Okay.

5 THE COURT: Okay.

6 MR. HOOD: I'm not sure how this works, so
7 please just tell me what I need to do.

8 THE COURT: Well, first off, you want to
9 raise your right hand and say I swear to tell the
10 whole truth and nothing but the truth.

11 MR. HOOD: I swear to tell the whole truth.

12 THE COURT: You don't have to repeat it.

13 Just --

14 MR. HOOD: Oh, okay

15 THE COURT: That's okay. Thanks. All
16 right. So what's going to happen is, he's going to
17 start to put on proof that you have a right to
18 cross-examine on. Okay? His first witness is going
19 to be James Ripley, who's an attorney here in
20 Sevierville, who's the receiver. You understand
21 what position he holds?

22 MR. HOOD: No.

23 THE COURT: He's appointed by the Court to
24 take control of this house --

25 MR. HOOD: Okay.

1 THE COURT: -- this multistory house on the
2 lake.

3 MR. HOOD: Can I say something?

4 THE COURT: Sure.

5 MR. HOOD: You guys can have it.

6 MR. TAYLOR: What?

7 MR. HOOD: The house. It's not worth it to
8 me. It's just money. You know you didn't earn it,
9 but it's okay. I'll sign --

10 MR. TAYLOR: Can we adjourn and --

11 MR. HOOD: -- I'll sign --

12 MR. TAYLOR: -- for a few minutes and talk
13 about this.

14 THE COURT: All right. Ten minute recess.
15 If he's going to give up the house, it may eliminate
16 something.

17 (A break was taken.)

18 MR. TAYLOR: Your Honor, we're ready to
19 proceed.

20 THE COURT: All right. Okay. So your
21 motion for a continuance is overruled. All right.
22 Call your first witness, which is --

23 MR. TAYLOR: My motion in limine, did you
24 rule on that?

25 THE COURT: I probably won't grant it. I'll

1 just overrule it for the time being.

2 MR. TAYLOR: All right. I'm going to call
3 the receiver, James Ripley.

4 THE COURT: Okay.

5 JAMES RIPLEY,
6 the first witness called on behalf of Abbacas,
7 having been first duly sworn, was examined and
8 testified as follows:

9 DIRECT EXAMINATION

10 BY MR. TAYLOR:

11 Q Mr. Ripley, will you state your name for the
12 Court, please?

13 A James H. Ripley.

14 Q And what do you do, Mr. Ripley?

15 A I practice law here in Sevierville,
16 Tennessee.

17 Q How long have you done that?

18 A Oh, since 1983.

19 Q A long time?

20 A A long time.

21 Q About the same as I've been married. Tell
22 me what your association with this case is.

23 A Back in July of 2014, I was appointed as
24 receiver over this property by, I think -- I believe it was
25 a special judge at that point, and I've been the receiver

1 ever since.

2 Q And what were your duties by order of the
3 Court?

4 A Well, I was to take control of this property
5 and to account for any income and so forth that was coming
6 in, keep it up, generally act as the operator of the
7 property.

8 Q And this is a property that's commonly
9 referred to as the lake house; is that correct?

10 A Yes, sir.

11 Q Okay. So you said operate the property of
12 the lake house. Had the lake house been operated as a
13 business?

14 A Well, my understanding when I was appointed
15 was that it was being operated as a business, and I know
16 for a fact that at least for some period of time, it was
17 rented. It was my understanding that Mr. Hood had
18 possession of the property, certainly at least when I took
19 over in 2014, and I believe everyone involved, except
20 perhaps Mr. Hood, was of the impression that this property
21 was going to be utilized to generate income which would be
22 then shared in whatever percentage these partners had
23 determined that they would share it.

24 Q Did you ever get any information or data
25 regarding the operation prior to your taking over?

1 A Very, very little. I immediately contacted
2 both counsel for the parties. Mr. Gray was Mr. Hood's -- I
3 say Mr. Hood. I believe it's Destiny of Tennessee, but
4 Mr. Gray was the counsel for that entity. And he provided
5 me with this set of documents which contained some
6 information but was not very complete. If you'd like to
7 see this, and I'm sorry. I only have one copy with me
8 today.

9 Q Let me just show Mr. Rooney for a second.

10 A Uh-huh.

11 MR. TAYLOR: Your Honor, could I go and
12 shoot a couple copies of this?

13 THE COURT: Yeah. Fine.

14 (Mr. Taylor went to make copies.)

15 BY MR. TAYLOR:

16 Q There you go.

17 A So I was appointed in July of 2014, and I
18 continuously attempted to contact Mr. Gray. Mr. Taylor was
19 very helpful and cooperative and so forth. Mr. Gray whose
20 client was in possession, for whatever reason, was not
21 particularly responsive to my requests for information.

22 And the information that I've just handed counsel --
23 I don't know if it's been made an exhibit or not, but I
24 obtained it only after coming to the Chancellor and getting
25 an order requiring cooperation, because I couldn't seem to

1 get Mr. Gray to -- not Mr. Gray, but I suppose his client
2 to provide information that I needed. And so in March of
3 2015, I believe it was March the 3rd of 2015, the
4 Chancellor entered an order requiring cooperation. And in
5 the packet that I have produced and counsel just made a
6 copy of, the Court can see that there are some tax
7 documents. I direct your attention to page 13 and 15, Your
8 Honor. I don't know if you -- did you give the Court one
9 of these?

10 Q I did not.

11 A Well, he can look on mine.

12 MR. TAYLOR: Can we just go ahead and make
13 that the first exhibit to his testimony?

14 THE COURT: That's fine.

15 (Exhibit No. 1 was filed.)

16 THE WITNESS: Your Honor, I'll go ahead and
17 pass that to you. If you can look at page 13 with
18 me.

19 THE COURT: All right. Thank you.

20 BY MR. TAYLOR:

21 A It's hard to see the numbering on the pages,
22 but this would be sort of toward the back of the document,
23 I believe. What we're looking at specifically would be the
24 2012 Schedule E Worksheets. I don't know if you're there.

25 THE COURT: Page 13?

1 THE WITNESS: On mine, it's marked at the
2 very top. It's a fax number 13 of -- or 12 of 15 is
3 what I would direct your attention to.

4 THE COURT: 12. This document has 13 --
5 page 13 on the right-hand side. Is that the same
6 page?

7 THE WITNESS: I believe so, Your Honor.

8 THE COURT: 13 out of 15?

9 BY MR. TAYLOR:

10 A And then that's the 2012 Schedule E, and if
11 you look at the second page of that schedule, you'll see
12 that the rental income that this property produced,
13 according to this schedule provided by Mr. Hood for the
14 year 2012, was eighty-three thousand two hundred and
15 seventy-six dollars.

16 THE WITNESS: Do you see that, Your Honor?

17 THE COURT: Yes.

18 BY MR. TAYLOR:

19 A Okay. And so it's apparent to me, and I
20 think quite reasonable to assume that this property can
21 produce, you know, that kind of money on a regular basis.
22 Well, what happened was, shortly after I got this
23 documentation, I was contacted by someone -- it could have
24 been Mr. Gray; I suspect it was -- to say that he had
25 learned that his client was living in the subject house,

1 which was contrary to everything that we had understood was
2 going on. Because I had been provided this information
3 that had indicated that it had been rented in the past, but
4 now I was being told that Mr. Hood was actually living in
5 the property.

6 And obviously, that was not -- well, to my
7 knowledge, it wasn't producing any income for the
8 partnership at that time. So I felt that it would be
9 necessary for the receivership to regain possession of the
10 property. So I hired counsel at that point, which was in
11 the summer of 2015, last summer.

12 The reason obviously for hiring counsel was, I
13 didn't want to be both a witness and attorney in -- I hired
14 attorney Greg Logue with the firm of Woolf McClane, and in
15 July of 2015, we sought possession by writ of an action for
16 unlawful detainer. And that matter was heard, and an order
17 of possession entered.

18 To my knowledge, Mr. Hood voluntarily vacated
19 following the -- that proceeding, and I took possession,
20 physical possession of the premises in September of 2015.
21 Specifically on September the 10th of 2015, I met a
22 locksmith at the property, changed the locks, and took
23 physical possession. At that point, Mr. Hood had moved
24 out.

25 Q Mr. Ripley, when you began to serve as

1 receiver, who was the fee simple owner of the property?

2 A You know, I don't remember the entity
3 names. I know that -- I know that subsequent to me getting
4 involved, the Court ordered Mr. Hood to execute a deed or
5 some document to convey an interest to your clients. But I
6 don't remember, off the top of my head, who those entities
7 were. There was Destiny, Lake Casa Limited Partnership,
8 and apparently, from what I understood -- and I didn't
9 verify this -- there had been some transfer to an entity
10 that then had to reconvey to create a half inch interest --
11 legal half interest in your clients.

12 Q Did you deal with the insurance on the
13 house?

14 A I did. There was insurance in place, but
15 the address for this property had changed. This was a
16 subdivision that was developed by Mr. Stetson and was one
17 of the subdivisions that was very, for lack of a better
18 word, troubled. The surveys were inaccurate or defective.
19 They showed, in many cases, lot lines with houses sitting
20 right on the lot line.

21 The bank stepped in -- I think it was First American
22 stepped in and spent a whole lot of money to straighten out
23 the subdivision, to get it resurveyed, to straighten out
24 the infrastructure. And so this property had -- when I
25 first got involved, had an address on Stetson Lane, and so

1 when I went to try to determine what the insurance
2 situation was, it was very confusing because it showed that
3 Mr. Hood had insured a property on Stetson Lane but this
4 address, the current address, when I got involved, was
5 Willard Way. So it took a while to determine what the
6 situation was, but we secured insurance and have kept it
7 insured ever since.

8 Q Did you secure insurance for both fee simple
9 owners, both one-half fee simple owners?

10 A Yes.

11 Q Would that be for Abbacas?

12 A I'm sorry?

13 Q Would that be for Abbacas on --

14 A Yes, Abbacas Holding Limited, I believe, on
15 the one end and, I guess, Destiny on the other. I'd have
16 to look at my -- I'd have to look at my insurance
17 certificate, which may take me a little while to find. But
18 anyway, we did -- he had it insured -- Mr. Hood had it
19 insured, but there wasn't -- it was insured just in the
20 name, as I understand, of his entity, and so we insured it
21 in the name of both.

22 Q Okay. Did you inspect the property?

23 A I did. And that was -- that would have been
24 in September of 2015. I went to the property. It was in
25 relatively good condition. I couldn't see where there had

1 been any kind of malicious damage to it, but it was in need
2 of certain things and still is.

3 The heat and air conditioning systems have got to be
4 replaced. There was a pretty distinct musty odor in the
5 lower level that concerned us that there might be water
6 leaks. I had a plumber come out there. There were some
7 plumbing fixtures that needed to be worked on, toilets that
8 were running constantly and that kind of thing. And the
9 home has a, what I would consider, to be a very elaborate
10 water system, water treatment system, and I didn't know
11 anything about that or how to operate, but we got the
12 plumber out there.

13 And when you get to my accounting, one of the
14 expenditures you're going to see is where I hired the
15 plumber to fix those things and get it squared away. I got
16 an electrician out there. There had been a double range in
17 the kitchen, one of these double oven kind of deals.
18 Apparently, for whatever reason, it had been removed from
19 the kitchen. I found it downstairs in the basement --
20 actually, outside on the patio on the ground floor. And it
21 had been replaced with a range that had one oven, and that
22 appliance was very out of character with what is a very
23 upscale property. It was very out of -- out of character
24 and just didn't appear appropriate for that kitchen the way
25 that kitchen was otherwise set up.

1 Q Were there any other maintenance issues that
2 you've identified with the house?

3 A Well, there's -- yes. There is a serious
4 concern, and one -- my goal was to see what I could do to
5 get this property up as a rental property and get it
6 producing income. But it's situated such that the house is
7 very close to the water and when the water's up in the
8 summer, it's very close to the water. And there is in the
9 yard -- the yard goes out just a short distance and then
10 drops off to the -- to the water. And I became very
11 concerned that there was no fence or other protection along
12 the waterfront there, and there was really no good way to
13 get down to the waterfront without sort of trying to scale
14 this loose shell bank.

15 And I was consulting with a lady, whose name escapes
16 me, who's in the rental -- resort rental business, and I
17 can't remember her name off the top of my head. But
18 anyway, and that was one of her concerns was that, you
19 know, if you're going to have families out here, what's
20 going to make this a valuable rental property or an
21 attractive rental property is the ability to access Douglas
22 Lake. It's right on the water. People are going to want
23 to have boats. They're going to want to use this point
24 that the house is situated on. And without having some
25 sort of a landing and steps way down to a dock and that

1 kind of thing, it -- it just -- it would be dangerous, and
2 it would not be something that could be readily rented or
3 should be rented without that being fixed.

4 Q You say you have in your --

5 MR. HOOD: Can I object? Is that allowed?

6 THE COURT: Well, you're going to have a
7 right to testify on your own behalf as long as you
8 want to, plus you can ask questions of him. But you
9 can't stop in the middle while --

10 MR. HOOD: Okay.

11 THE COURT: You'll have a right to ask
12 questions. Just remember what you want to ask him.

13 MR. HOOD: Okay.

14 THE COURT: Go ahead.

15 BY MR. TAYLOR:

16 Q Okay. You have basically an accounting that
17 goes to the maintenance issues?

18 A I do.

19 Q Maybe that's a good time for you to go
20 through that.

21 A Okay. Does Mr. Hood have a copy of it?

22 MR. HOOD: No, sir.

23 Q Do I?

24 A Yeah. I handed you one this morning.

25 There's a copy for you and one for him. And if you still

1 have that one that I gave you, then you might give that to
2 the Court, Doug.

3 MR. TAYLOR: May I approach, Your Honor?

4 THE COURT: Sure.

5 MR. TAYLOR: There you go.

6 THE COURT: Is this the second exhibit.

7 MR. TAYLOR: That's going to be the second
8 exhibit to his testimony.

9 (Exhibit No. 2 was filed.)

10 BY MR. TAYLOR:

11 A All right. First, let me say that it became
12 immediately necessary for me to obtain some working funds
13 to keep this place up and to pay bills like the locksmith
14 and the heat and air people and so forth and so on. So my
15 attorney sought an order for a special assessment and that
16 was ordered.

17 The special assessment was to be in the amount of
18 ten thousand dollars for each side. That assessment order
19 went down either in late September of 2015 or early
20 October of 2015. The Rooneys obeyed the Court order and
21 deposited ten thousand dollars with me. Mr. Hood did not.

22 The fact that he did not tied my hands in many ways
23 because I couldn't -- I didn't have the funds to make the
24 major repairs that were needed. The Rooneys, I should
25 say -- and this is reflected in this accounting as well, if

1 you have it in front of you, Your Honor. I don't know if
2 the court reporter handed it back to you.

3 THE COURT: Yeah, I got the accounting.

4 BY MR. TAYLOR:

5 A Yeah. Okay. The Rooneys had also
6 deposited, at my request, a thousand dollars because I was
7 paying out of my law firm's -- paying out of my pocket, in
8 effect, for things, and the Rooneys deposited a thousand
9 dollars initially, and then they made the deposit of ten
10 thousand dollars for a total of eleven thousand dollars.

11 Then -- well, I can go through this, but you can
12 see, as I mentioned earlier, the first entry under
13 expenditures is September 10, 2015. That's when I first
14 obtained possession, and that charge was for the
15 locksmith. I had to change the power over into my name,
16 the electric power, and so I got the Sevier County Electric
17 System on an expedited basis to do that, and they got us
18 electric.

19 You'll see some travel expenses where I've gone back
20 and forth from my office. I had an electrician, Bucy
21 Electric come out there. The stove had been -- I mentioned
22 that this double oven had been removed and was replaced
23 with an ordinary range. The electrician was very concerned
24 about the way that had been hooked up and considered that
25 to be a fire hazard, and he re-did that for me. Then

1 you'll see a payment in December 15 to State Farm
2 Insurance. As I mentioned earlier, the plumbing charges.

3 And then I consulted with a gentleman by the name of
4 Rick Allen. I needed somebody -- I couldn't -- I didn't
5 see that it made sense for me to do more than periodic
6 inspections out there, but I needed somebody, sort of a
7 maintenance person who could go out there, check on the
8 property, keep up the property, and that was this person
9 Rick Allen. And you'll see several payments to Mr. Allen
10 along. He's maintained the lawn this summer. I had him at
11 one point do sort of an overall grounds maintenance where
12 he trimmed bushes, cleaned out gutters, you know, mowed,
13 got rid of brush, limbs, and so forth that were done. And
14 those expenditures are reflected on here as well.

15 It became apparent that the taxes on this property
16 had not been -- these are the land taxes now -- had not
17 been paid for several years. And I discovered that, in
18 fact, the property was slated to be sold for taxes. A
19 Jefferson County tax attorney had turned it over for a tax
20 sale.

21 And at that point, Mr. Rooney paid directly for the
22 taxes that were in arrears that were causing the property
23 to be sold. And for some reason -- I was look for that
24 here a minute ago. I don't see the exact amount of that
25 that they paid, but I'm sure they'll be able to tell the

1 Court what that was. But --

2 Q Do you know approximately how much it was?

3 A I was thinking it was in the neighborhood of
4 seventeen thousand dollars. Now, that's approximate. But
5 the problem in this case is, in part, Mr. Gray became ill
6 here recently.

7 There's a period of time when Mr. Hood had exclusive
8 possession of this property. And apparently, for some
9 portion of that time, he was renting it, had it on the
10 rental market. I think he said with Timber Tops Realty.
11 But then at some point -- and I don't know when -- he moved
12 into the property and was living there. And so during that
13 period of time, there was no income to the partnership at
14 all.

15 But my opinion at this point is that there needs to
16 be a considerable influx of capital to get this property up
17 and operating. As you can see in the accounting, there are
18 still taxes owing in the amount of some thirty-seven
19 thousand dollars to Jefferson County.

20 There are -- on the last page, you'll see where
21 we've listed the indebtedness claimed by the Douglas Lake
22 Resort Owner's Association in the amount of forty-eight
23 thousand dollars. And I had questioned that, but all of
24 the owners up there were assessed very large amounts that
25 had to do with the reconfiguration of the subdivision and,

1 I guess, the infrastructure, so there's considerable
2 indebtedness.

3 We have learned since I did this that the State of
4 Tennessee has asserted a state tax lien in the amount of
5 seven and forty-six dollars and forty-six cents, and I have
6 that statement from the State of Tennessee if you want
7 that.

8 MR. TAYLOR: Can you make that the next
9 exhibit to your testimony, please.

10 (Exhibit No. 3 was filed.)

11 BY MR. TAYLOR:

12 Q Were there any other areas of disrepair
13 where maintenance had not been performed in the house that
14 you identified?

15 A Well, I think I mentioned most of them, but
16 one of the major expenditures is going to be the HVAC
17 system, the heat and air system. Basically, they need to
18 be replaced. I'm not sure when the house was built, but
19 you notice on my accounting I list, depending on the
20 quality of the units, I've gotten quotes where it will be
21 either twelve -- around twelve thousand dollars or twelve
22 and a half thousand dollars to replace the heat and air.

23 It will cost about three thousand dollars to build
24 this fence that I'm talking about and access to the water.
25 It's just, the way it's situated now, I would term it as an

1 attractive nuisance. If you had children in that house --
2 now, there are other ways down to the water. There's a way
3 down off of a side path. But if you had children staying
4 in that house, they would be drawn to that point to go out
5 to the lake there, and it, in my opinion and in the opinion
6 of others who I've consulted, it's just -- it's just
7 dangerous. There needs to have a fence there and some
8 steps. And so the quote for that that's three thousand
9 dollars.

10 The double oven ought to be replaced. That range
11 that's in there doesn't fit with the decor. It's far
12 inferior to the appliances that are there generally. It
13 just doesn't fit in. It looks -- it just sticks out. And
14 I got a quote, fourteen hundred and eighty-nine dollars to
15 replace that.

16 And then I've listed also -- I believe the whole
17 house needs to be professionally cleaned, somebody
18 something like Service Master that comes in and does
19 everything. And, I mean, I'm talking carpets need to be
20 cleaned, you know, just a total stem to stern cleaning.

21 Q Do you have a total amount of money it's
22 going to take to get this house back on the market?

23 A Well, excluding my fee for the work that
24 I've done and excluding the work that my attorney has done,
25 it's going to take -- I think realistically, it's going to

1 take somewhere in the neighborhood of seventy-five
2 thousand, maybe eighty thousand to eighty, ninety thousand
3 dollars to get it to where it can be rented.

4 You know, it's a unique house. It's huge. It has
5 at least eight bedrooms. It's not the kind of house that
6 you can rent for a weekend to a couple for a hundred and
7 twenty-five dollars, hundred and fifty dollars a night. I
8 mean, you're not going to come out that way. So it's got
9 to be marketed to groups. I think it needs to be marketed
10 to family reunions, wedding groups, small business
11 retreats, that kind of thing. It's got to have -- you
12 know, it's got to have good working heat and air.

13 And I'm concerned about the water system. It's -- I
14 don't know how old that system is. It seems to be working
15 now. The plumber says there was a leak in one of the
16 pumps, and he's gotten that squared away, but I'm concerned
17 about that. I don't have a quote to replace that, and I
18 don't know what it would take, but that's something that
19 needs to be looked at.

20 Q What's the water source?

21 A I believe it's a well.

22 Q Were you able to determine if anything had
23 been removed from the house as it was originally furnished?

24 A No, I wasn't, because I really -- even
25 though I was furnished with some photographs, I believe,

1 that showed it early on, it didn't appear to me that
2 furnishings had just been carried out, but I can't really
3 speak to that because I'm not positive what all was there.
4 It certainly had not been stripped of its furnishings. I
5 mean, the dishes, at least part of the dishes were still
6 there in the kitchen. The furniture appeared to still be
7 there, but the house has got some wear and tear on it and
8 some of those -- some of those furnishings are probably due
9 to be replaced.

10 MR. TAYLOR: Okay. Your Honor, if I could
11 just confer with my client for just a second, I may
12 be done.

13 THE COURT: Okay.

14 BY MR. TAYLOR:

15 Q Mr. Ripley, were you able to look at the
16 website to rent this house with?

17 A Yes. I found something on the Internet in
18 the way of a -- I'm not sure it was a website, per se, but
19 something indicating that the house had been rented. And I
20 don't really recall what it was I saw. Now, in the packet
21 of materials that were given to me by Mr. Gray, the
22 indication was that Timber Tops had been used as a rental
23 company.

24 Q I guess what I'm asking is, you weren't able
25 to identify any furnishings that were -- maybe photographs

1 on the Internet that were not in the house once you took
2 possession?

3 A I don't recall that. I don't recall that.

4 Q Okay.

5 A I vaguely recall Mr. Rooney, Mr. David
6 Rooney mentioning something to me about photographs that he
7 had or had seen that he compared to what was there in the
8 house. My impression was -- I mean, you don't know what
9 you're going to find. These parties have been in dispute.
10 I didn't know what to expect. When I took possession of
11 this house, I didn't know whether it would be trashed, for
12 lack of a better term. It had not been trashed. And it
13 appeared to me that the furnishings were, at least for the
14 most part, in place. There weren't rooms that didn't have
15 furniture, for instance.

16 Q Okay. Have we provided as exhibits
17 everything you have to go with your report?

18 A I believe so.

19 Q Do you have anything else to add to your
20 report to the Court?

21 A I don't believe so. At this point, no.

22 MR. TAYLOR: Your Honor, that's all I have
23 of this witness at this time.

24 THE COURT: Mr. Hood, you're up.

25 MR. HOOD: Bear with me. I'm not quite sure

1 how this all goes, so --

2 THE COURT: What you want to do is ask him
3 questions.

4 MR. HOOD: Okay.

5 THE COURT: Most non-lawyers start out with
6 some long statement and say, isn't that true, or
7 something. You need to ask a question, if you can.
8 Go ahead. We'll try to work through it.

9 CROSS-EXAMINATION

10 BY MR. HOOD:

11 Q Okay. You said that Mr. Gray's client,
12 which is me -- I need to ask a question. You said
13 Mr. Gray's client, which was me, didn't provide the
14 information to Mr. Gray. I actually did provide the
15 information to Mr. Gray, and it was not -- it wasn't given
16 to you in a timely manner, but that was not because it
17 wasn't given to him, so --

18 A Well, if that's a question --

19 Q That's a statement.

20 A -- I guess what I would say is, I didn't
21 deal with you directly. I dealt with Mr. Gray.

22 Q Uh-huh.

23 A And so as regards your working relationship
24 with him, I wouldn't know about that.

25 Q Let me rephrase it. Did you say that

1 Mr. Gray said to you that I did not provide the information
2 that he asked for?

3 A Yes. What he told me was that he was having
4 difficulty getting information from you. And as a matter
5 of fact, when he provided me with information, he was, on
6 at least one occasion, apologetic and essentially said, you
7 know, I'm not getting the kind of cooperation that I need.

8 MR. HOOD: So, Your Honor, how do I verify
9 that if Mr. Ross is no longer with us?

10 THE COURT: Well, I suppose that you will
11 want to say something about that yourself and that
12 you are cooperating or something to that effect.

13 MR. HOOD: I gave all -- yeah. Mr. Ross was
14 given all the information right from the beginning,
15 everything I had.

16 THE COURT: Well, let me say that what
17 you're talking about had something to do with this
18 motion in limine, okay, and stuff like that, not
19 furnishing the documents. I mean, I don't think
20 that question's going to be very important --

21 MR. HOOD: Okay. That's fine.

22 THE COURT: -- in this case, so you --

23 BY MR. HOOD:

24 A Well, for instance, let me say this. I have
25 a letter here that Mr. Gray wrote. It may be the cover

1 letter on the documents that were provided. This is a
2 letter that Mr. Gray wrote to you on March the 4th, and he
3 says, Dear Allen, I am now in receipt of the documents you
4 left in the drop box; however, in the future, please advise
5 my office that you've left documents in that box. We do
6 not check it on a daily basis. With regard to the
7 information requested, we are still in need of the
8 following.

9 Now, when he -- when I had discussions with him, he
10 was saying, I'm still trying to get this. Here he is
11 writing a letter to you in March of 2015 saying, We are
12 still in need of the following. A name of the contact
13 person at Timber Tops, a copy of the bank records.

14 You know, you apparently had told him that the
15 rental company was Timber Tops. You had told him that the
16 bank account was at SunTrust, but what he was saying to you
17 is, what I was saying to him, and that is, I need full
18 information about this property. I need to know the
19 contact person at Timber Tops. I need the bank records. I
20 need the bank statements.

21 So that's this letter of March the 4th of 2015. He
22 says, In addition, you neglected to include income, costs,
23 and expenses relative to that property. The sense that I
24 got -- and this again is a letter from Mr. Gray to you --
25 I'll be glad to provide it to the Court. That this is --

1 this is his letter to you insisting that you cooperate. I
2 offer that as the next exhibit, if the Court wants it.
3 (Exhibit No. 4 was filed.)

4 BY MR. HOOD:

5 A And that to me, Mr. Hood, gave validity to
6 what Mr. Gray was telling me about his inability to get
7 documents and materials from you. I mean, if I hadn't seen
8 that letter, perhaps I would have thought, well, I can't
9 judge who's not doing what they're supposed to. Maybe
10 Mr. Gray's not doing what he's supposed to. Maybe
11 Mr. Hood's not doing what he's supposed to. Well, when I
12 see a letter written to you in which he's complaining to
13 you that you are not providing the information that he
14 needs, that lent a lot of credibility to his -- to what he
15 was telling me.

16 Q Okay. In regards to the house, you said it
17 was -- needs to be cleaned. The day that you looked at it,
18 it didn't look like it was professionally cleaned? Because
19 the day before it was professionally cleaned.

20 MR. TAYLOR: Your Honor, is that a question
21 or a statement?

22 MR. HOOD: That's a statement. I don't know
23 how to ask the questions.

24 BY MR. HOOD:

25 A I would say this, the house was not filthy

1 dirty. The kitchen -- you know, the dishes were clean,
2 etc., etc. What I'm saying is that before I would put it
3 on the rental market, I would have a professional cleaning
4 done. I mean, there were places where I found cobwebs.
5 There's dust. I think, you know, when you offer a property
6 to the general public for rental at the kind of rates that
7 you're going to ask for, for this type of house, it has to
8 be first class.

9 Q Okay. And also, the -- where you're talking
10 about having the steps going down to the path or to the
11 deck down there --

12 A Yes, sir.

13 Q -- is there not another way to get down
14 there by a golf cart pathway that goes all the way down to
15 it?

16 A There is.

17 Q Okay.

18 A You can go off the side and then come
19 around. There's a little pathway.

20 Q Like a golf cart size all the way down to
21 it?

22 A But the problem is that, I just don't see
23 children following that pathway.

24 Q Okay.

25 A What it would appear, in my experience as a

1 father, is that, hey, there's the lake. Let's just take
2 off, and I just saw all kinds of problems with them falling
3 off of that abrupt bank and --

4 Q Were you aware --

5 A -- it just wasn't safe.

6 Q -- were you aware that the lawn was also
7 included in the HOA?

8 A I'm sorry. Say that again.

9 Q Were you aware that lawn maintenance was
10 included in the HOA?

11 A Well, they told me that, and they actually
12 did mow it one time. But I think they decide -- they
13 must -- well, I don't know what -- I'd be speculating.

14 Q Right.

15 A All I know is, the lawn was getting grown
16 up. It wasn't being taken care of, and that's when I got
17 the gentleman, Mr. Allen, to go out there and take care of
18 it.

19 MR. HOOD: Okay. No further questions.

20 THE COURT: All right. Okay.

21 MR. TAYLOR: I have no questions of
22 Mr. Ripley.

23 THE COURT: Thank you.

24 THE WITNESS: Am I free to go?

25 THE COURT: Yes.

1 THE WITNESS: Thank you, Your Honor.

2 THE COURT: Have a good day.

3 (The witness was excused.)

4 MR. TAYLOR: Thank you, Jim. I'd like to
5 call Mr. Arthur Rooney.

6 THE COURT: Mr. Rooney, have a seat.

7 ARTHUR ROONEY,
8 the next witness called on behalf of Abbacas,
9 having been first duly sworn, was examined and
10 testified as follows:

11 DIRECT EXAMINATION

12 BY MR. TAYLOR:

13 Q Will you state your full name for the
14 record, please?

15 A Arthur Redvrs Rooney.

16 Q And what's your middle names?

17 A Redvrs, R-E-D-V-R-S.

18 Q Redvrs. Mr. Rooney, where do you reside?

19 A I reside in England.

20 Q The address?

21 A My address is Oakwood, Appley Lane North,
22 Appley Bridge, Lancashire, and the zip is WN6 9AQ.

23 Q How do you spell Lancashire?

24 A L-A-N-C-A-S-H-I-R-E.

25 Q Thank you. And, Mr. Rooney, will you please

1 tell me what your affiliation with Abbacas Holdings Limited
2 is?

3 A It's my company.

4 Q It's your company, and do you own all the
5 shares in that company?

6 A Yes.

7 Q And do you operate that company?

8 A Yes.

9 Q And what does that company do, Mr. Rooney?

10 A It's purely and simply a holding company,
11 and for -- for whatever I want to put into it.

12 Q What kind of work do you do, Mr. Rooney?

13 A Well, I'm retired now, but for many, many
14 years I was a banker in African Caribbean, and then after
15 that, I was dealing in real estate chiefly in Florida and
16 also rentals in Florida.

17 Q Okay. Can you tell me how you got involved
18 with Mr. Hood and these projects that we're talking about
19 here in Tennessee?

20 A The market in Florida was becoming very
21 expensive for buyers, and they were building so many
22 properties it was obvious the rental income occupancy would
23 decrease. And most people who were buying my market
24 were buying for rental purposes. And I looked at other
25 areas to see where -- what would work, and I -- to

1 Tennessee because I thought because of Dolly Parton and the
2 Smokies it would be the best location where my clients
3 could buy a property, enjoy a great location, and enjoy
4 rental income. The rental income would never cover all
5 their operating costs. Because of that, I met Allen Hood.

6 Q How did you meet Mr. Hood?

7 A I met him in Florida many years before when
8 my son and I came up to have a look at Tennessee. Because
9 we known him in Florida, we knew he was here, we contacted
10 him. He told me he had a piece of land which was over ten
11 acres and he had planning permission for it, but it was
12 thirty-three units and would I be interested. He took us
13 to see the land. Good location. Great views. I said,
14 yes. And we worked out a deal, and we reached an agreement
15 that I would do the marketing in the UK for the properties.

16 MR. TAYLOR: Your Honor, may I approach the
17 witness?

18 THE COURT: Yes.

19 MR. TAYLOR: I'm going to offer -- I believe
20 the best way is to call this Exhibit A to his
21 testimony, that being that it's got counterparts and
22 they are numbered so that when there's a document
23 numbered 1, it will be A-1. Does that make sense?

24 THE COURT: If you're going to put them, why
25 don't you just have them all marked, so she won't --

1 MR. TAYLOR: Just make it a collective
2 exhibit.

3 THE COURT: Well, it's not -- but she can do
4 them one after another. Then you won't have to deal
5 with her again. She's very efficient.

6 MR. TAYLOR: Well, there's 30-some exhibits.

7 THE COURT: Okay.

8 MR. TAYLOR: It would be easier to do it
9 collectively, I believe. Exhibit A collective.

10 (Collective Exhibit No. A was filed.)

11 BY MR. TAYLOR:

12 Q Mr. Rooney, do you have this Exhibit A
13 Collective that we're talking about? Do you have a copy?

14 A Yes.

15 Q Okay. So you're referring to on April the
16 5th, 2005, Document 1, what is that document 1?

17 A That is an agreement signed by Allen and
18 myself dated the 5th of April, 2005.

19 Q Okay. Is this the agreement that you're
20 talking about?

21 A Yes.

22 Q And can you tell me generally what the terms
23 are of the agreement?

24 A It appointed me as the exclusive agent for
25 the sale and marketing of all units in the property, and it

1 offered -- and it also gave an exclusive right of sale for
2 all buyers originating from the UK, because they would come
3 as a direct result of my marketing. And that was
4 irrespective of whether the buyer went to directly or came
5 to me. There was a price list attached to it. It also
6 gave compensation. It gave bonuses. Pretty complex.

7 Q Okay. And that agreement is signed by who?

8 A It's signed by Hood and myself.

9 Q Okay.

10 A It was also notarized by Diane Abrams.

11 Q Now, if you look at the first paragraph, it
12 says that this agreement is -- who are the parties in this
13 agreement?

14 A Between Allen Hood and Arthur Rooney and
15 Just Tennessee Limited or other parties as designated by
16 Rooney.

17 Q Okay. And did you designate another party
18 to operate this business?

19 A No. Just Tennessee, and basically, it was
20 going to be a company we're buying, we would do rentals
21 into the properties at Summit View.

22 Q And is Just Tennessee held by Abbacas?

23 A That's -- that's me as well.

24 Q All right. I believe Exhibit 2 is -- will
25 you just tell the Court what that is?

1 A That's a plan -- a plan of the land is 2 --
2 Exhibit 2 and 2A. There's two separate plans of the land.
3 One was the initial plan, and then it was revised. It was
4 revised because Hood said initially he had approval for
5 thirty-three units and they'd be numbered one to
6 thirty-seven, but the cabins would be built on a number of
7 the units, and -- but then he -- it was revised then to
8 take -- be thirty-two cabins only.

9 Q Okay. And is this Summit View, is that the
10 name of the development?

11 A This is Summit View, yeah.

12 Q And that's really what most of the topic is
13 about; is that correct?

14 A This is what -- all the sales were done in
15 Summit View.

16 Q Okay. And subsection 3 to this exhibit,
17 will you please tell the Court what that is?

18 A That is dated the 7th of January, 2006, and
19 it's from Allen Hood, again signed by myself as accepting.
20 He agrees that Hood's company, Incred-I-Builders would
21 construct the homes. It's specifies the types of homes and
22 the total sum involved, and it gives the price, the bonuses
23 that would be applicable and just general information on
24 specifying on the sales.

25 Q Okay. And Exhibit 4, can you tell --

1 A Exhibit 4 is a -- just the homes and the
2 price was to -- the Summit View price, the basement price,
3 and the sale price. It's just a price list.

4 Q Okay. Now, when we look at Exhibit 5, can
5 you tell me which house -- which property this settlement
6 statement is for?

7 A This relates to 1253 Stetson Lane, which is
8 now, of course, 1015 Willard Way. And it was the
9 Settlement Statement whereby the house was purchased. It
10 was purchased in the name of Destiny, Inc., and the seller
11 was Dale and Danette Martin. The total price was six
12 hundred and forty-seven thousand nine hundred and
13 eighty-four dollars and seventy cents.

14 Q Tell me about Destiny, Inc.

15 A Yeah.

16 Q What is Destiny, Inc.?

17 A Destiny, Inc., was a company set up which
18 Allen Hood set up for me, and there were two shares
19 issued. I have a share certificate. I don't know who's
20 got the other share certificate.

21 Q Okay. So you said fifty percent is owned by
22 who?

23 A By Abbacas.

24 Q By Abbacas?

25 A Yes.

1 Q Okay. And you don't know who the other
2 owner is?

3 A No. Because the other share certificate is
4 signed, and I've never seen it since.

5 Q And No. 6?

6 A That's the Share Certificate which was
7 signed by Hood and I and for Abbacas.

8 Q And this basically shows the ownership
9 interest in Destiny, Inc.; is that correct?

10 A Yeah.

11 Q All right. Let's look at No. 7.

12 A Yeah. This is another letter from Hood
13 dated 10th of October, 2007. This was addressed to my bank
14 in England, HSBC. And we were having -- I built up a
15 considerable debt overdraft for marketing costs, etc., and
16 I needed something from Hood which specified what was
17 outstanding for the bank, so the bank would be happy,
18 because money was not coming in as it should have done.
19 And Hood wrote -- I told Hood what the problem was, and he
20 wrote this letter in which he specified and seven buyers
21 were -- the commission on those was due, and he specified
22 the name of the buyer and the amount of the commission,
23 which it was totaled two hundred and sixty-one thousand
24 eight thirty-one.

25 Q And that commission is due to who?

1 A That was due to me.

2 Q And is that through your agreement, which
3 was the first agreement?

4 A Yes. And he also confirmed in that letter
5 that there was a further commission due of six thousand
6 dollars on each furniture pack installed.

7 Q Okay. And let's look at Exhibit 8 to
8 your --

9 A This is an affidavit prepared by Edward
10 Hamilton and which I requested because I didn't know what
11 was going on, and that was in 2008.

12 Q So Mr. Hamilton -- who did Mr. Hamilton
13 represent?

14 A Me.

15 Q Okay. And No. 9 is also a letter from
16 Mr. Hamilton --

17 A Yeah.

18 Q -- Attorney Ward Hamilton?

19 A Yeah.

20 Q To?

21 A Again, this is to Melinda Meador of
22 Winchester, Sellers, Foster, and Steele regarding Douglas
23 Lake Resort Owners Association. And Allen Hood, in 2008,
24 due to concerns that Hood might cause an unauthorized
25 transfer of the, my client, Arthur R. Rooney, a shareholder

1 in Abbacas Holdings, Inc., caused an affidavit to be filed
2 indicating his fifty percent ownership in Destiny. That
3 was the previous document we were referring to.

4 It also says that on January the 8th, 2009, Allen
5 Hood caused to filed an affidavit, purporting to be
6 declared by J. Patrick Hamilton, Attorney at Law, stating
7 that Destiny of Tennessee, LLC, was a successor by
8 conversion of Destiny, Inc.

9 And again -- can I read this?

10 Q Go ahead.

11 A On April the 2nd, 2009, Hood caused to be
12 recorded a Deed from Destiny of Tennessee, LLC, a Tennessee
13 Limited Liability Company (formerly Destiny, Inc.) to Lake
14 Casa Limited Partnership, a South Dakota Limited
15 Partnership, oddly having the address of 431 Thomas Loop
16 Road, Sevierville. Mr. Hood executed this deed on the 4th
17 of March, 2009.

18 Q Okay. Who found out about this succession?
19 As I understand it, Destiny, Inc. --

20 A Yeah.

21 Q -- converted to Destiny of Tennessee, LLC,
22 and then conveyed the lake house property to Lake Casa
23 Limited Partnership; is that correct?

24 A And Edward Hamilton found out, but we -- and
25 I'd been -- I'd been taken very ill, and I was -- I

1 needed -- I asked my son to check, and he made some
2 inquiries as well.

3 Q Now, you provided a stock certificate where
4 Destiny, Inc., is one-half owned by Abbacas, correct?

5 A Yes.

6 Q Were you provided a one-half membership
7 interest in Destiny of Tennessee, LLC?

8 A No.

9 Q Were you provided any sort of interest in
10 Lake Casa Limited Partnership?

11 A No.

12 Q So basically, you no longer own the one-half
13 interest; is that correct?

14 A No.

15 Q All right. Okay. Let's look at
16 Exhibit 10.

17 A This is a Tennessee Quitclaim Deed, and the
18 grantor is Tennessee -- Destiny of Tennessee, LLC, and the
19 grantee is Lake Casa Limited Partnership, and it's
20 transferring the property of Douglas Lake, Lot No. 5, which
21 is 1251 Stetson Lane, 1015 Willard Way, and to Lake Casa
22 Partnership by Hood.

23 Q Okay. Will you just identify what
24 Exhibit 11 is for the Court, please?

25 A Sure. It's a letter from the Tennessee

1 Valley Title Insurance addressed to Michael Winchester,
2 Winchester, Sellers, Foster, and Steele, and it confirms
3 that the property is vested in Lake Casa Limited
4 Partnership in South Dakota.

5 Q Okay. Let's look at No. 12. Will you
6 please tell me what No. 12 is, Exhibit 12?

7 A Yes. This is an email which Hood sent to me
8 on the 7th of October, 2009, at 1719 hours. That's UK
9 time, sir. Arthur, Sorry to hear you are not feeling
10 well. I'm requesting that Abbacas or whatever company
11 filed a letter through Ward Hamilton against the
12 1253 Stetson, stating I was not allowed to borrow against
13 the house to be removed. I am leveraging two hundred
14 thousand dollars of the property which will stay in their
15 bank in a CD form to ensure the payment on my personal
16 house and Lot 9. Please respond quickly so I know what my
17 next step is.

18 Q Did you respond to that email?

19 A No.

20 Q Did you give him permission to take a
21 mortgage out against the lake house?

22 A No.

23 Q Okay. Will you please look at Exhibit 13?

24 A This is a letter from Edward Hamilton
25 addressed to the Secretary of State, Department of Business

1 Services in Nashville. The heading is Destiny of
2 Tennessee, LLC (Formerly Destiny, Inc.).

3 My client is a shareholder in Destiny, Inc.
4 Unbeknownst to him, the name of this company was changed by
5 another shareholder to Destiny of Tennessee, LLC. My
6 client is concerned about this change and would like to
7 obtain all related information. Enclosed is my check,
8 etc., etc.

9 Q Okay. So did you instruct Mr. Hamilton to
10 make inquiry of --

11 A Yes.

12 Q -- the Secretary of State?

13 A Yes.

14 Q And No. 11, will you please identify what
15 that document is?

16 A Yes. This is again from Edward Hamilton to
17 Winchester, Sellers, Foster, and Steele. The heading is
18 Douglas Lake Resorts and confirming that Edward Hamilton
19 represented myself, Abbacas Holdings, which is a fifty
20 percent shareholding in Destiny, Inc., and refers to the
21 two documents which they're holding.

22 Q Will you look at paragraph 3, please. Will
23 you read that, please?

24 A Paragraph 3?

25 Q Yes.

1 A On June 30th, 2008, due to concerns that
2 Mr. Hood might cause an unauthorized transfer of property,
3 my client, Arthur R. Rooney, a shareholder in Abbacas
4 Holding, Ltd., caused an affidavit to be filed indicating
5 his fifty percent share ownership in Destiny, Inc.

6 Q Okay. Will you please take a look at some?
7 They're just to speak for themselves. Let's look at
8 Exhibit -- look at Exhibit 17. What is that?

9 A This is an affidavit from myself which --

10 Q It's in this lawsuit, is it not?

11 A Yes.

12 Q Does it not refer to the lawsuit?

13 A Yes.

14 Q I think the document speaks for itself. Do
15 you recall the circumstances under which you gave this
16 affidavit?

17 A Yes. Just the concern about the fact that
18 Hood had -- Hood had stolen the property.

19 Q Okay. Will you please identify, just
20 identify what Exhibit 18 is, please?

21 A This is the Order for the Receiver to be had
22 on the -- after a hearing on the 6th of June, 2014.

23 Q Okay. Will you please identify Exhibit 19
24 for the Court?

25 A Order Granting Motion for Summary Judgment.

1 Q Okay. Identify Exhibit 20, please.

2 A Order Divesting Property Interest.

3 Q Do you know what that order is?

4 A Yes. That was the Court ordering the fifty
5 percent of the property should be taken from Hood -- from
6 Lake Casa Limited Partnership and vested in myself and
7 Abbacas.

8 Q Okay. Do you know if that was recorded with
9 the Register of Deeds in Jefferson County?

10 A I think it was. I think it was. Yeah, it
11 was.

12 Q Okay. Will you please identify Exhibit 21?

13 A 21 is an email which was sent to Jim Ripley
14 and from Doug Taylor and copied to myself, and he forwarded
15 an email from a realtor called Kim Hazel and --

16 Q Can you tell me what the purpose is? Does
17 it involve the insurance certificate? Is that the issue?

18 A No. It was the fact that the HOA -- it was
19 the change in the address really from Stetson Lane to
20 Willard Way, and we did -- there was a picture of eight
21 cars at the property.

22 Q What was the issue -- seems like at one time
23 it was 1015 Willard Way and then it was 1051 Willard Way?
24 Is that just --

25 A I think --

1 Q -- a mistake?

2 A -- I've been -- I think it was a mistake.
3 I'd just been given the wrong number.

4 Q Okay. And let's just identify Exhibit 22,
5 please.

6 A 22 is a Real Estate Assessment Data, and
7 which is addressed to Lake Casa Limited Partnership for the
8 year 2015.

9 Q All right. And 23 is an email?

10 A Yes.

11 Q Can you talk about Exhibit 24, please?

12 A 24 is a Snapshot of RentalHouses.com, refers
13 to 1015 Willard Way, confirms that -- it's handwritten
14 information on somebody called Tyler -- Tyler Hitt was
15 renting the property from Allen Hood and paid nine thousand
16 dollars for three months rent, and he was covering the
17 insurance and utilities himself. It also confirmed on --
18 it said prior to November 2014, Timber Tops Rental were
19 charging fifteen hundred to nineteen hundred dollars a
20 night.

21 Q Okay. Let's look at Exhibit 25, please.
22 Just identify what that is.

23 A A letter from Jim Ripley -- a letter from
24 Sharp and Ripley and to Ross Gray.

25 Q Okay. There is something attached to that

1 letter. Can you identify that please, 25?

2 A Yeah. There is an agreed order attached to
3 the letter.

4 Q All right. 26, identify that document to
5 the Court, please.

6 A An Amended Order of Receivership.

7 Q Okay. 27?

8 A A letter from Woolf McClane to Ross Gray.

9 Q And who is that from?

10 A It's from Greg Logue.

11 Q Who's counsel for the receiver; is that
12 correct?

13 A Yes.

14 Q And again, 28, will you identify that
15 letter, please?

16 A Another letter from Woolf McClane. This one
17 includes Writ of Possession.

18 Q From Mr. Logue?

19 A Yes.

20 Q Who is that to?

21 A That again is to Penny Murphy, Jefferson
22 County General Sessions Court of Dandridge.

23 Q Okay. And is there a Writ of Possession
24 attached to that?

25 A Yeah.

1 Q Okay. And 29, will you please just read --
2 just read what the title is, please?

3 A Receiver's Motion to Assess Expenses to
4 Parties.

5 Q Okay. That was what Mr. Ripley talked
6 about. Identify No. 30, Exhibit No. 30.

7 A Order Authorizing Assessment by Receiver.

8 Q Okay. And Exhibit 31, will you please talk
9 about what that is?

10 A This is another -- this is an email from Jim
11 Ripley, and it's to Doug Taylor and to myself and to Ross
12 Gray. And it basically says, I've received a total of
13 eleven thousand dollars from the Rooneys. Although
14 Mr. Hood has been assessed ten thousand dollars, he's paid
15 nothing. We presently have the sum of nine thousand two
16 thirty-seven dollars fifty-six cents on hand.

17 And it goes on about the points that Jim Ripley made
18 before about the state of the property.

19 Q And what is Exhibit 32?

20 A 32 is a confirmation from Jefferson County
21 Chancery Court that we paid seventeen thousand two
22 ninety-two dollars and fourteen cents to cover the back
23 taxes. I believe it was for 2008 and '9, which Hood had
24 not paid, despite the fact he was in control of the
25 property.

1 Q Okay. Let's talk about the lake house, the
2 1015 Willard Way house.

3 A Yeah.

4 Q Did you receive any commissions from --

5 A Yes.

6 Q Do you have an accounting of that?

7 A Yes.

8 Q What is that? What document are you looking
9 at? Summary of --

10 A That's B.

11 Q -- Summary of Claim Relating to 1015 Willard
12 Way, Douglas Lake?

13 A Yeah.

14 Q Is that this document here?

15 A Yes.

16 MR. TAYLOR: I'd like to make that

17 Exhibit B.

18 (Exhibit No. B was filed.)

19 BY MR. TAYLOR:

20 A That itemizes the lot numbers and the names
21 of the buyers, the commission initially offered by Hood,
22 and the revised commission, which left a shortfall of six
23 hundred and ten thousand three hundred and fifty-four
24 dollars. The total commission was due was eight
25 ninety-four dollars three one six. And it also shows the

1 commission of back payments which Hood had made. It shows
2 two commission payment advances, one of fifty-one thousand
3 nine twenty-seven, and one of seventy-eight thousand five
4 ninety-six. Then it shows four payments made to my
5 designate, OVR, payment agreed point, which is my
6 designate, payment on Lot 17, which is a deduction, and
7 again, on another payment. Total amount paid -- that Hood
8 paid on that -- being paid on that directly or indirectly
9 was two ninety-four thousand one hundred and thirty-seven,
10 which if deducted from the six hundred and ten thousand,
11 left a shortfall of three hundred and ten thousand.

12 Then we have promotional costs. There's a
13 cancellation where one of the buyers, due to family
14 problems, cancelled, and fifty percent of the cancellation
15 fee was due to -- due to me. I've itemized that. Then
16 there was a payment on the lake house, which was three
17 twenty-five four one three. That was our payment, our
18 share for fifty percent of the lake house. We also paid
19 sixty thousand one hundred and seventy-two dollars for
20 furnishings, and we received fifty percent deduction of the
21 Realtor fee, which was six thousand -- six thousand seven
22 sixty-one. Then we paid a third of twelve thousand eight
23 hundred and eighty-four dollars for additional furniture
24 from Winwood. Hood, I presume, paid the other
25 fifty percent.

1 We then had closing costs on a number of properties,
2 which left -- taking into account all the previous -- there
3 was a balance due to Hood of a hundred and forty-four
4 thousand six sixty-seven. But then we had subsequent
5 closings which were fifteen more property sales.

6 Commission on those amounted to one million one hundred and
7 two thousand four hundred and thirty dollars.

8 The document then shows the deduction of a hundred
9 and forty-four thousand six sixty-seven to Hood from that,
10 giving a balance of nine fifty-seven seven eight
11 sixty-three. Then we had a promise bonus of four three
12 thousand five hundred dollars on thirty-two sales, which
13 amounted to a hundred and twelve thousand dollars.

14 Commission on twenty-nine furniture packs at six thousand
15 dollars a piece, which is -- Hood confirmed in an earlier
16 letter -- was discussed. It amounted to a hundred and
17 seventy-four thousand.

18 There was a lot referral fee as well of twenty
19 thousand dollars per lot from Lots 26 to 31, another two
20 hundred and twenty thousand dollars. And then there's a
21 shortchange of commission on the third batch of sales. The
22 balance outstanding from Hood, Incred-I-Builders then was
23 one million seven hundred and forty-seven thousand seven
24 hundred and twenty-five dollars.

25 Q All right. I would like to show you what

1 will be -- we're going to offer as Exhibit C, but I want
2 you to identify it, this Collective Exhibit C.

3 THE COURT: How long is this going to take?

4 MR. TAYLOR: This won't take long.

5 THE COURT: Okay.

6 BY MR. TAYLOR:

7 A Yeah. These are warranty deeds -- general
8 warranty deeds signed by Incred-I-Builders between
9 individual buyers that we introduced. They're not all
10 here, but the vast majority of them are.

11 Q Are those the buyers that you referred --

12 A Yes.

13 Q -- pursuant to your --

14 A Yes.

15 Q -- agreement with --

16 A Yes.

17 Q -- Mr. Hood --

18 A Yes.

19 Q -- is that correct?

20 A Yes.

21 MR. TAYLOR: I'd just like to offer these as
22 a Collective Exhibit C.

23 (Exhibit No. C was filed.)

24 BY MR. TAYLOR:

25 Q And while I'm doing that, I would like for

1 you to look at that, and I'll ask you a question.

2 A Uh-huh.

3 Q Can you identify what these documents are?

4 A Yeah. These are Deal Sheets produced by
5 Hood, and they relate to the lot number, the type of house
6 that was built on the lot, or Summit View, the buyer's
7 personal information, and basically that's it.

8 Q And do these Deal Sheets coincide with the
9 deeds we just --

10 A Yes.

11 Q -- introduced?

12 A Yes.

13 Q And do all those documents corroborate your
14 figures that you provided as exhibit to the Court?

15 A Some of them do, and some of them don't.

16 Q Be more specific, please.

17 A The prices, they don't show the bonuses.

18 Q Okay.

19 A And some of them show the furniture, and
20 some of them don't.

21 Q So your exhibit, which shows the money
22 that's due to Abbacas, includes additional things
23 besides --

24 A Yes.

25 Q -- the sale?

1 A Yes.

2 MR. TAYLOR: All right. And I'd like to
3 offer this as the next collective exhibit. Is that
4 D?

5 THE COURT REPORTER: It is.

6 MR. TAYLOR: Deal Sheets.

7 (Collective Exhibit No. D was filed.)

8 BY MR. TAYLOR:

9 Q Now, those were all provided pursuant to
10 your agreement with Mr. Hood; is that correct?

11 A Yes.

12 Q Take a look at and identify that for me.

13 A This is a list of the buyers giving their --
14 the order of construction, the lot number, the cabin site,
15 whether it was a mortgage or cash, what the construction
16 was, the status, the purchase price --

17 Q Okay.

18 A -- the sales commission --

19 Q That's fine.

20 A -- and the furniture.

21 MR. TAYLOR: That's enough for now. Let me
22 offer that as the next collective exhibit.

23 (Exhibit No. E was filed.)

24 BY MR. TAYLOR:

25 Q Can you tell me in a couple of sentences

1 what this worksheet is?

2 A Yeah. It itemizes all aspects of each sale,
3 and there's a couple of minor differences between the
4 amounts on here and the amounts on the general warranty
5 deeds. I can't remember offhand which one it is, but
6 there's one that's about two hundred dollars difference on
7 one price and I think there's two thousand dollars
8 difference on the other, but all the others are correct.
9 They all coincide.

10 Q Does this collective exhibit corroborate the
11 previous exhibits that you've entered --

12 A Yeah.

13 Q -- into evidence --

14 A Yeah.

15 Q -- which --

16 A Yeah.

17 Q -- involve the costs that are --

18 A Yeah.

19 Q -- the amounts that are due --

20 A Yeah.

21 Q -- to Abbacas --

22 A Yes.

23 Q -- both for the operation of the lake house?

24 A Yeah.

25 Q And this is for the sales of Summit View?

1 A No. This is -- yes.

2 Q This is for sales at Summit View?

3 A Yes. Sales -- this is sales at Summit
4 View.

5 Q I gotcha. I'm going to show you some MLS
6 listings and see if you can identify those, please?

7 A This is a listing that Hood did with a
8 company called Smoky Investments [sic] Real Estate and
9 Auction, and he did this in 2009.

10 Q What property is he listing?

11 A This is a listing of the lake house, Stetson
12 Lane -- Willard -- 1015 Willard Way.

13 Q The house that's part of -- that has you
14 here?

15 A Yes.

16 Q Okay. So Mr. Hood was selling the house?

17 A Yeah.

18 Q And at that time, did you own an interest in
19 that house?

20 A I thought I did.

21 Q Okay.

22 A But I didn't because he'd already
23 transferred it to his company.

24 Q Is there more than one listing here?

25 A No. It's one listing.

1 Q All right.

2 A It's a listing -- one listing, but it's also
3 been confirmed by another company.

4 MR. TAYLOR: Okay. Let me offer that as the
5 next. Is that E?

6 THE COURT REPORTER: F.

7 MR. TAYLOR: F. Excuse me.

8 (Exhibit No. F was filed.)

9 BY MR. TAYLOR:

10 Q So basically, Mr. Hood was trying to sell
11 the house, which you have reacquired your one-half
12 interest --

13 A Yeah.

14 Q -- that you originally had; is that correct?

15 A Yes.

16 Q All right. Do you have anything here that I
17 haven't brought up yet?

18 A No.

19 MR. TAYLOR: Just a second, Your Honor.

20 Your Honor, that's all I have of Mr. Rooney at this
21 time.

22 THE COURT: All right. Let me ask you one
23 question. Did you all ever have any problem with
24 Stetson as going over the lines with respect to this
25 property?

1 THE WITNESS: No, not to my knowledge.

2 THE COURT: All right. So you got lucky and
3 escaped from Stetson. Okay. Do you have any
4 questions?

5 MR. HOOD: So let me ask the question. I've
6 got the same documentation that provides how he was
7 paid and so forth on commissions. Can I enter that
8 into the Court.

9 THE COURT: Well, sure, if you want.

10 MR. HOOD: Okay.

11 THE COURT: Okay.

12 MR. HOOD: Because it's basically --

13 CROSS-EXAMINATION

14 BY MR. HOOD:

15 Q Mr. Rooney, do you recall this?

16 MR. TAYLOR: Can I see a copy of what
17 he's --

18 MR. HOOD: Oh, okay. Am I supposed to show
19 him?

20 THE COURT: You have to show it to the other
21 attorney because it hasn't been furnished.

22 MR. HOOD: Okay.

23 THE COURT: All right. Go ahead.

24 BY MR. HOOD:

25 Q Do you recall that document?

1 A Yeah.

2 Q Yes?

3 A I don't -- I don't recall it, but I can see
4 that I signed it.

5 Q That is your signature --

6 A Yes.

7 Q -- correct?

8 A Yes.

9 Q And that's David Rooney's signature also?

10 A It looks like it.

11 Q Okay.

12 A It's not the original. It's -- I don't know
13 what it is, whether it's a photocopy or what.

14 THE COURT: You have to put it in the
15 record.

16 MR. HOOD: Okay.

17 MR. TAYLOR: Your Honor, does have an -- do
18 you have an original?

19 MR. HOOD: I do have a copy.

20 BY MR. HOOD:

21 A I don't -- I don't recall it. I don't
22 recall it, but that is my signature. But I don't know
23 whether it's a photocopy or not. I don't know.

24 BY MR. HOOD:

25 Q Okay.

1 MR. TAYLOR: Do you have the original here?

2 MR. HOOD: No.

3 BY MR. HOOD:

4 Q But you verified that was your signature?

5 A That is --

6 Q Do you recall sitting around --

7 A It's either my signature or a facsimile. It
8 looks like more like a facsimile.

9 Q Do you recall sitting around the lake house
10 table at 10 o'clock at night going through all these
11 figures and coming up with this figure right here --

12 A When?

13 Q -- as how the remainder of the lake house
14 would be paid for?

15 A No.

16 Q Okay?

17 A Because you'd already taken the lake house
18 payment off and the furniture.

19 Q So why would you sign a piece of paper that
20 says you --

21 A I don't --

22 Q -- owe three hundred thousand dollars, and
23 we're going to pay it on each deal sheet of fourteen
24 thousand dollars and some odd cents?

25 A Because I don't recall the document.

1 Simple. I mean, if -- if it is my signature, if I see the
2 original, yes, it might well be my -- but I don't recall
3 it.

4 MR. HOOD: Okay. I'd like to enter that as
5 an exhibit.

6 (Exhibit No. 5 was filed.)

7 BY MR. HOOD:

8 Q What that document says is basically --

9
10 MR. TAYLOR: Your Honor, he's testifying.

11 THE COURT: Well --

12 MR. HOOD: Okay. I'm sorry.

13 BY MR. HOOD:

14 Q That document that you just saw, what does
15 that --

16 A The document -- that document actually
17 confirms that the commission is six thousand dollars on
18 the -- on the furniture packs. It also confirms that the
19 lake -- there is a payment going on the lake house, which
20 is all set out in Exhibit B. There's no disputing the fact
21 that we paid fifty percent of the cost of the lake house
22 and we paid the furniture, fifty percent of the furniture.
23 And that's shown by the figures that's deducted off the
24 commission that was owed.

25 THE COURT: Are we waiting on you?

1 MR. HOOD: Yes, sir. I'm -- I'm trying to
2 figure what -- how to word this.

3 BY MR. HOOD:

4 Q The figures on that document, do they say
5 what the balance that you owed me for the remainder of the
6 lake house?

7 A Well, if we paid fifty percent of the lake
8 house, you were to pay the other fifty percent. And the
9 amounts our documents show that we paid was three hundred
10 and twenty-five thousand four hundred and thirteen. The
11 cost of the furniture, fifty percent again, sixty thousand
12 one seventy-two. So on that basis, you would have paid the
13 other three hundred and twenty-five thousand four thirteen,
14 and you've also paid sixty thousand on the furniture.

15 Q Okay. Let me ask you this. These right
16 here, basically, are those the last houses that you were
17 supposed to pay --

18 A I have no idea.

19 Q -- for the lake house?

20 MR. TAYLOR: Excuse me.

21 BY MR. HOOD:

22 A No.

23 MR. TAYLOR: Is there another document that
24 you're showing?

25 MR. HOOD: Yes, sir.

1 MR. TAYLOR: Can I see it, please?

2 MR. HOOD: This will basically support the
3 document that's up there and provides all the
4 information of how they were paid on every deal set
5 forth in that contract there. And then I'd like to
6 enter this also.

7 THE COURT: You're going to introduce that
8 notebook?

9 MR. HOOD: Yes, sir.

10 THE COURT: Okay.

11 MR. HOOD: This is the proof from that
12 contract.

13 MR. TAYLOR: Are you going to introduce
14 this?

15 MR. HOOD: Yes, as soon as you're done.

16 MR. TAYLOR: Okay.

17 THE COURT: What's he looking at?

18 THE WITNESS: No. I'm just waiting.

19 MR. HOOD: He's got it. He's looking at the
20 document.

21 THE COURT: Is it one that he gave -- okay.

22 MR. HOOD: Yes. He asked to look at it
23 first.

24 MR. TAYLOR: Okay. Is your last exhibit --
25 has that been marked and given to the Court?

1 MR. HOOD: Yeah.

2 THE COURT: 5? Yeah.

3 BY MR. HOOD:

4 A I have never seen this before, but it
5 itemizes some of the buyers, but only some, and it also
6 refers to -- refers to one, two, three, four, five -- seven
7 buyers only.

8 Q Can you tell me how many properties are
9 listed there?

10 A On here?

11 Q Yes, sir. Just the first page.

12 A Just the first page?

13 Q Yes, sir. How many properties?

14 A One, two, three, four, five, six, seven,
15 eight, nine -- nine properties which relate to sales which
16 I did, and then there's another property here where Hood
17 has sold Lot 24 to France Stuart, Lot 36 to Allison Fornie,
18 Lot 3 to Allison Fornie. Now, I presume that that covers
19 buyers that I introduced who have sold the properties
20 back. I'm guessing on that point.

21 Q So there's -- I'm sorry. One more time.
22 Inclusive of all the properties that are listed here, how
23 many properties are listed there?

24 A Nine of -- nine of my clients.

25 Q Total, please?

1 A Nine -- no. Nine of my clients and four of
2 yours.

3 Q Okay. Can I see the document?

4 A Sure.

5 Q One, two, three, four, five, six, seven,
6 eight, nine, ten --

7 A No. No.

8 Q -- eleven, twelve, thirteen --

9 A No.

10 Q -- fourteen -- fourteen properties total
11 here; is that correct?

12 A One, two, three, four --

13 Q Which --

14 A -- five, six --

15 Q -- correlate with --

16 A -- seven --

17 Q -- the document --

18 A -- eight, nine properties that I sold.

19 Q Okay.

20 A And two, four, five properties that you've
21 sold.

22 Q Okay. So a total of fourteen?

23 A Yeah.

24 MR. HOOD: Okay. I'd like to enter this --
25 these are the last fourteen properties that were

1 sold --

2 THE COURT: Okay.

3 MR. HOOD: -- and details of how they were
4 sold.

5 THE COURT: 6.

6 (Exhibit No. 6 was filed.)

7 BY MR. HOOD:

8 Q And --

9 A Can I say something on that? The
10 properties -- the five properties which he's listed as
11 being sold, he hasn't listed the commission that should
12 have come to us on those sales that we'd introduced.

13 Q Can I ask --

14 A The fact that -- the fact that an owner has
15 bought a property and then afterwards sold it back to Hood,
16 we're still entitled to the commission.

17 Q Why do you think those properties were sold
18 to somebody else?

19 A Well, because quite a lot of the owners got
20 rather cheesed off -- I'm putting it mildly -- because
21 water -- instead of each house or two or three houses
22 having their own well, it didn't work like that. There
23 were houses running out of water.

24 Q Because people did not --

25 A Let me -- let me finish.

1 Q I'm sorry.

2 A Houses were running out of water because
3 they had too many houses attached to one well. The
4 electricity, he had connected not each house with its own
5 supply but a few houses with supply and linked them --
6 linked the other houses in. The road had never been
7 finished and was dangerous, and the water drainage on the
8 road, that surface water was not working.

9 My company, which was Just Tennessee, put rentals
10 into the property. Every rental we had in there
11 complained, came back to me and complained, and I was
12 forced to do refunds. So not only the owners were annoyed,
13 but they were also -- the renters were also annoyed.

14 Q On those five --

15 A With regard to anybody deciding to sell a
16 property at a later date, that's entirely up to them.
17 Depends on what their financial circumstances are. There
18 might be a change. I don't know.

19 Q Mr. Rooney, so you're telling the Court that
20 basically you did not sell those five; is that correct?
21 You sold nine of those properties?

22 A No. We sold -- you've listed those five as
23 in your -- as your sale. You haven't put the commission in
24 that's due to us on them.

25 Q Did you sell them, or did I sell them?

1 A Initially, we sold them.

2 Q You sold them?

3 A Yeah. Yeah, we sold them.

4 Q So did you close on those properties?

5 A They were all closed.

6 Q So they closed and resold?

7 A The deeds -- the warranty deeds state that.
8 They were all sold to them.

9 Q Okay. So they were sold to individuals,
10 those five, and then how were they conveyed back --

11 A I have no idea. I didn't even know until
12 today that they'd moved.

13 Q But you just said that they were sold, and
14 the warranty deed supports that?

15 A The warranty deed is signed by you.

16 Q A warranty deed is signed by me, correct --

17 A Yes

18 Q -- on those property.

19 A On each property.

20 Q The five that you -- that we're talking
21 about right now, how were they sold to somebody --

22 A I have --

23 Q -- and then turned around --

24 A -- I have no idea.

25 Q That's --

1 A Obviously, it seems to me that the obvious
2 conclusion is that you've bought the properties back from
3 them, or they've handed them back to you, or they haven't
4 made payments on their mortgage, and you've taken them one
5 way or another, and you've unsold them to somebody else.

6 Q So one more time, let me ask this. Those
7 five properties that you said were sold not by you --
8 rephrase -- that were bought -- okay. Basically, you're
9 saying that the last five properties were sold to your
10 clients and closed, and then turned around and bought by me
11 or Incred-I-Builders --

12 A No.

13 Q -- or whoever --

14 A The only way you could sell a property
15 and -- those properties would be if you got possession of
16 the properties again.

17 Q Again?

18 A Yeah.

19 Q So you're telling me -- do you have
20 documentation stating that you sold those five properties,
21 and I turned around and bought them back and --

22 A It's on --

23 Q -- resold them for --

24 A -- it's on the Deal Sheets. All the names
25 are there, and they're also on warranties --

1 Q Okay.

2 A --- signed by you.

3 MR. HOOD: This right here is in regards to
4 the last fourteen properties that I'd like to
5 enter.

6 THE COURT: That notebook?

7 MR. HOOD: Yes, sir.

8 MR. TAYLOR: May I see it, please?

9 MR. HOOD: Yes. It tells every --

10 MR. TAYLOR: Let me look at it first.

11 MR. HOOD: That's fine. Oh, before I talk?

12 MR. TAYLOR: Yeah.

13 MR. HOOD: Okay. Just so you understand,
14 these are the lot numbers of the last fourteen,
15 exactly what transpired and copies of checks that
16 were paid to for commissions, deal sheets, balances
17 due, copies of wire transfers, copies, everything is
18 right there.

19 MR. TAYLOR: Your Honor, this is pretty
20 extensive. If we're going to break for lunch, may
21 we get a copy of this and look at it. This is a lot
22 of stuff here.

23 THE COURT: That's okay. Have you got
24 another witness after lunch?

25 MR. TAYLOR: I don't know.

1 THE COURT: Okay. You going to lock it up?

2 THE BAILIFF: Yes, sir, I can.

3 THE COURT: We'll try to speed through lunch
4 here. 1 o'clock.

5 (A lunch break was taken.)

6 THE COURT: I'm probably going to get it
7 marked as Exhibit G, because it's coming in right
8 after F, I think, and I got listed something like
9 Exhibit G is a house listing, which is what this is,
10 right?

11 MR. TAYLOR: I believe it is.

12 THE COURT: Let's mark that G.

13 MR. TAYLOR: Is it the last thing?

14 THE COURT: Yeah, before you went to another
15 exhibit or sometime, I guess.

16 (Exhibit No. G was filed.)

17 THE COURT: Are you through looking at it?

18 MR. TAYLOR: At that notebook?

19 THE COURT: Right.

20 MR. TAYLOR: Yes, sir.

21 THE COURT: Are we ready to go?

22 MR. TAYLOR: You want Mr. Rooney back up
23 there?

24 THE COURT: You were through, right?

25 MR. HOOD: No, sir.

1 THE COURT: Well, wait a minute -- okay.
2 Well, get back up -- have you got some more
3 questions?

4 MR. HOOD: Yes, sir.

5 THE COURT: All right. Go ahead. But you
6 wanted this notebook introduced before or after or
7 right now or when?

8 MR. HOOD: Now would be great.

9 THE COURT: Okay.

10 (Exhibit No. 7 was filed.)

11 MR. HOOD: If I might have the exhibit --
12 the red exhibit right there.

13 THE COURT: Okay.

14 MR. HOOD: The red piece of paper.

15 THE COURT: Let me get this so it won't drop
16 off.

17 MR. HOOD: May I approach the bench?

18 THE COURT: Sure. You want this right
19 here?

20 MR. HOOD: Yeah. I just want to explain to
21 you while you're looking at. It's one long sheet
22 that goes -- the lines go across --

23 THE COURT: Okay.

24 MR. HOOD: -- for your information.

25 THE COURT: All right. What's that at the

1 bottom.

2 MR. HOOD: I'm not sure.

3 THE COURT: Does it have anything to do with
4 this. This is something different, right?

5 MR. HOOD: That's -- yeah, that's the
6 contract that we --

7 THE COURT: Okay.

8 MR. HOOD: -- that we signed.

9 BY MR. HOOD:

10 Q Okay. I have a few more questions. One --
11 I'm sorry. Give me a second. I'm reading your deposition.

12 A Uh-huh.

13 Q So I may ask the same questions again. Were
14 there any monies invested in Destiny, Inc., other than
15 those that you believe you were entitled to based on your
16 commissions?

17 A Yeah. The other fifty percent of the
18 purchase price of this property and the fifty percent of
19 the furnishings.

20 Q Okay. On your deposition, you said there
21 was just the cost of the furnishings.

22 MR. TAYLOR: Hold on a second.

23 BY MR. HOOD:

24 A No.

25 MR. TAYLOR: Hold on a second. He's telling

1 him what his deposition said. That's not proper.

2 MR. HOOD: Okay. I'm sorry. I'm trying to
3 clarify that basically there was no other monies
4 given to me except for based on what those papers
5 say up there as far as commissions, that everything
6 came out of his commissions. That's all I'd like
7 to --

8 THE COURT: All right. Well, and the first
9 question. If you're going to try to ask somebody
10 about a deposition -- what they said in a
11 deposition, you have to show them the deposition.

12 MR. HOOD: Oh, okay.

13 THE COURT: And say, is that what you said
14 or something.

15 BY MR. HOOD:

16 Q If you'll look at line --

17 A Yeah.

18 Q Okay.

19 A The one you've underlined.

20 Q Yes.

21 A Were there any other monies invested in
22 Destiny, Inc., other than those which you believe you're
23 entitled to?

24 Q By commissions?

25 A I invested no other monies in Destiny, Inc.,

1 but you did.

2 Q Basically, it --

3 A Fifty percent --

4 Q -- was all invested --

5 A -- of the property.

6 Q -- by commission; is that correct?

7 A Pardon me?

8 Q That's all -- that was my only question.

9 A Fifty percent of the property.

10 Q Okay.

11 A And fifty percent of the furnishings.

12 Q Do you have a real estate license in the
13 State of Tennessee?

14 A No.

15 Q Okay. Did you ever pay taxes on the monies
16 that you received for the commissions that you were paid
17 from in Tennessee --

18 A In Tennessee?

19 Q -- or from Incred-I-Builders? Yes.

20 A No.

21 Q Okay.

22 A I'm not vested in Tennessee.

23 Q Okay.

24 A And also, I don't need a real estate license
25 in Tennessee, because I was only -- I was selling

1 properties in the UK. They were being sold in the UK to UK
2 residents.

3 Q Okay.

4 A You knew that anyway.

5 MR. HOOD: No further questions.

6 MR. TAYLOR: Is this going to be -- this
7 deposition going to be entered into -- as an
8 exhibit?

9 MR. HOOD: I don't know.

10 MR. TAYLOR: I'm not going to ask him about
11 it.

12 THE COURT: You can do it if you want to. I
13 mean, you want to introduce it?

14 MR. HOOD: Okay.

15 MR. TAYLOR: It may already be a court
16 record. I don't know.

17 MR. HOOD: I'm not sure either.

18 (Exhibit No. 8 was filed.)

19 REDIRECT EXAMINATION

20 BY MR. TAYLOR:

21 Q Okay. Mr. Rooney, have you looked at the
22 numbers that Mr. Hood has provided for you regarding monies
23 he claims have been paid to Abbacas --

24 A Yes.

25 Q -- for the Summit View development project?

1 A Yes.

2 Q Do you agree with the figures that he has
3 calculated?

4 A No.

5 Q Are there some problems in the figures he --

6 A Yes. He's -- he's got construction loan
7 interest in them totaling a hundred and eighty-eight
8 thousand four hundred and twenty, which he's charging to
9 me.

10 Q Okay. Have you properly account -- after
11 looking at the numbers that he's provided both in the
12 notebook and the other document, have you -- do you feel
13 like you've properly accounted in your accounting for all
14 commissions paid and unpaid?

15 A Yes, I do.

16 Q Okay.

17 A His figures on the list -- the book he just
18 gave us and --

19 THE COURT: Does it have an exhibit number
20 it?

21 MR. TAYLOR: The book, what's the book?

22 THE COURT REPORTER: Exhibit 7.

23 MR. TAYLOR: 7. It's Exhibit 7.

24 BY MR. TAYLOR:

25 A Six of the amounts are correct with four of

1 the amounts -- commission amounts are wrong. And the
2 difference on those is one is fifty-four thousand
3 dollars -- I'm rounding off, sir -- one is thirty-nine
4 thousand dollars, one is a thirty thousand dollars, and one
5 is seven thousand dollars.

6 Q Okay. Have you seen anything here today
7 that -- would you change any of your calculations?

8 A No.

9 MR. HOOD: I've got one more question with
10 regard to what you just asked.

11 RECROSS-EXAMINATION

12 BY MR. HOOD:

13 Q Mr. Rooney, did you agree to pay the
14 construction costs --

15 A No.

16 Q -- or interest?

17 A No.

18 Q Okay. Do you recall Lot 6, Spinlove?

19 A Smith.

20 Q Simon and --

21 A Yeah. You've -- I seen your -- on the book,
22 you've got fifty-three thousand dollars being charged to
23 me.

24 Q Do you recall why --

25 A Which wipes out the commission which was

1 due.

2 Q Do you recall why that lot didn't close?

3 A No.

4 Q Do you recall the ninety-five thousand
5 dollar deposit that you spent in England?

6 A Any -- any monies which we've retained --

7 Q Yes or no?

8 A -- are already shown on my statement.

9 Q Do you recall the ninety-five thousand
10 dollars that you spent --

11 A No.

12 Q -- of their -- of their deposit?

13 A I didn't spend their deposit.

14 Q Okay.

15 A We withheld monies from you --

16 Q Do you --

17 A -- and with your agreement, and it showed in
18 your files.

19 Q Can you tell me -- in that notebook is the
20 completion date of Lot 6. It states when it was
21 completed. Can you tell me why it did not close for four
22 or five months after?

23 A I have no idea.

24 Q You do not recall the fact that we could
25 not --

1 A No.

2 MR. TAYLOR: He's testifying.

3 BY MR. HOOD:

4 A No. I have no idea. No idea. You did the
5 closings, not us. We introduced the sale to you. You did
6 the closings. If there's a delay in the closings, that's
7 between -- that's between you and the buyer.

8 Q Is it not true that we were unable to close
9 Lot 6 because of the deposit that you --

10 A I've already answered you. No.

11 Q Okay.

12 THE COURT: Well, he answered the question.

13 He answered no, I guess.

14 MR. TAYLOR: Are you finished?

15 MR. HOOD: Yes, sir.

16 REDIRECT EXAMINATION

17 BY MR. TAYLOR:

18 Q Mr. Rooney, according to your calculations,
19 can you tell, for the record, the Court, how much money you
20 have calculated with all your figuring and all your
21 accounting, how much money is due to Abbacas from Mr. Hood,
22 Destiny, Inc., Destiny, LLC, or Lake Casa for the Summit
23 View property, how much money is -- remains to be paid?
24 Just Summit View. Don't --

25 A Summit View.

1 Q Just for Summit View.

2 A There's four different amounts. Expenses
3 and legal fees, a hundred twenty-four thousand forty-six
4 dollars and fourteen cents. Property taxes, which we can't
5 predict, is to be paid in the future, so that discounted
6 that. Replacement of furniture, etc., forty-seven thousand
7 five hundred. Rental income, one million seven hundred and
8 fifty-four thousand seven hundred and ninety-two dollars.
9 That's on the lake house. Okay?

10 Q Okay. Do you have your calculations there
11 that you could look and tell me how much commission you
12 calculate is due to you? Is that from Summit View -- what
13 you just gave me was for the lake house?

14 A That's the lake house.

15 Q I'm sorry. Can you give me the same figures
16 for Summit View?

17 A One million seven hundred and forty-seven
18 thousand seven hundred and twenty-five dollars.

19 Q And how much is due to you for the lake
20 house?

21 A There's three amounts.

22 Q Okay.

23 A One hundred and twenty-four thousand and
24 forty-six. That's expenses and legal fees. That covers
25 both the -- all aspects. And replacing the furniture at

1 the lake house, forty-seven thousand five hundred. Rental,
2 loss of rental income, one million seven hundred and
3 fifty-four thousand seven hundred and ninety-two.

4 Q Okay. So --

5 THE COURT: But it's one fifty-four
6 thousand --

7 THE WITNESS: The total amount --

8 THE COURT: Wait. Wait. A hundred and
9 fifty-four. Was it fifty-four or one fifty-four?

10 MR. TAYLOR: I'm not sure your question.

11 THE COURT: Third figure he's testifying to.

12 THE WITNESS: One million seven hundred and
13 fifty-four thousand seven ninety-two.

14 BY MR. TAYLOR:

15 Q Okay. Do you have your calculations for
16 Summit View?

17 A Yeah.

18 Q Not Willard Way?

19 A Yes.

20 Q Okay. And what are your calculations --

21 A One million seven hundred and forty-seven
22 thousand seven twenty-five.

23 Q And those are commissions and --

24 A Commissions, etc.

25 Q How much money have you paid the receiver so

1 far?

2 A Eleven thousand dollars.

3 Q Did you pay for the taxes?

4 A Yeah. Seventeen thousand two hundred plus.

5 MR. TAYLOR: Okay. I think that's all, Your
6 Honor.

7 THE COURT: Do you know what exhibit you're
8 reading from?

9 THE WITNESS: That was B.

10 THE COURT: You have any other proof?

11 MR. HOOD: No, sir.

12 THE COURT: Do you want to argue it?

13 MR. TAYLOR: Excuse me?

14 THE COURT: I said, do you want to argue,
15 state your position, or tell me to go home.

16 MR. TAYLOR: I'm not -- I'm debating whether
17 or not to call Mr. Rooney or not -- Mr. David
18 Rooney.

19 BY MR. TAYLOR:

20 Q Your son is David Rooney; is that correct?

21 A Yes.

22 Q Is he a real estate broker?

23 A In the State of Florida, yes.

24 Q How long has he been a real estate broker?

25 A Since probably 1990 or thereabouts.

1 Q And he has an active license now; is that
2 correct?

3 A Yes. I believe so, yeah.

4 Q All right. Can you identify these
5 documents, please?

6 A This is the Florida Department of Business
7 Professional Regulation, and licensee name David Blake
8 Rooney. And that's running from the 11th of July, 1994,
9 through the -- sorry -- I reversed the dates. It's the 7th
10 of November, 1994, to the 30th of September, 2016, and this
11 is -- this is confirmation of the same thing.

12 Q All right. He just raised the issue, so --
13 and Mr. Rooney was your agent here in the United States; is
14 that correct?

15 A Yes.

16 MR. TAYLOR: I want to offer this as the
17 next exhibit.

18 (Exhibit No. 9 was filed.)

19 BY MR. TAYLOR:

20 A But he didn't do any sales in Summit View.

21 Q Right.

22 MR. TAYLOR: Can we have just a few minutes
23 to confer, and I'll let you know if I'm done, Your
24 Honor. Your Honor, I think I would like to ask
25 Mr. Hood some questions.

1 THE COURT: Okay. You've been sworn, right?

2 MR. HOOD: Yes, sir.

3 THE COURT: All right. Have a seat right
4 here.

5 ALLEN HOOD,
6 the next witness called on behalf of Abbacas,
7 having been first duly sworn, was examined and
8 testified as follows:

9 DIRECT EXAMINATION

10 BY MR. TAYLOR:

11 Q Please state your name for the record.

12 A Allen Lee Hood.

13 Q Okay. What's your address?

14 A 431 Thomas Loop Road.

15 Q Can you tell me -- tell me about the
16 formation of Lake Casa. What is Lake Casa?

17 A Lake Casa is an FLP.

18 Q Organized in where?

19 A South Dakota.

20 Q Okay. Take a look at that. See if that
21 represents the Certificate of Limited Partnership for Lake
22 Casa.

23 A Yes.

24 Q And this says Thomas Loop Road. Is that the
25 address you gave me?

1 A That is correct.

2 Q Okay. I didn't understand what you said.

3 I'm sorry.

4 A Oh, I'm sorry.

5 MR. TAYLOR: I'd like this to be the next
6 numbered exhibit.

7 (Exhibit No. 10 was filed.)

8 BY MR. TAYLOR:

9 Q Tell me how Lake Casa came about owning the
10 full fee simple in the last house.

11 A I transferred it.

12 Q From?

13 A The Destiny, LLC.

14 Q Okay. And how did Destiny, LLC, get a fee
15 simple -- full fee simple interest in the house?

16 A I'm not sure of the question.

17 Q How did -- how did the LLC acquire the full
18 interest in the house?

19 A Changed it from Destiny, Inc. So it went
20 from Destiny, Inc., to Destiny, LLC, to Lake Casa.
21 Destiny, Inc., was the original we set it up in. David and
22 I and Mr. Yates talked about the tax ramifications of it
23 and decided to put it into the LLC. They authorized me to
24 do it.

25 Q Okay. So Destiny, Inc., was owned by who?

1 A It was owned by Abbacas and Allen Hood

2 Q Abbacas.

3 A Abbacas. I'm sorry.

4 Q Okay. Abbacas and you, right? Is that
5 correct?

6 A That's correct.

7 Q Okay. And you issued a stock certificate to
8 Abbacas showing his one-half interest, so that made Abbacas
9 a one-half interest in the house, correct?

10 A (The witness nods head.)

11 Q So when you transferred the house to Destiny
12 of Tennessee, LLC, did you create a one-half membership
13 interest in Abbacas?

14 A I'm not quite sure how it was done. I don't
15 remember. But I do know that it was done because David and
16 an attorney talked about it, because it was the best way to
17 do the taxes at that point.

18 Q Do you know when that conversation took
19 place?

20 A No, sir.

21 Q Okay. And so why did you transfer the lake
22 house, which was now wholly owned by an LLC in which the
23 Rooneys had no membership interest, why did you transfer it
24 to Lake Casa?

25 A Because basically, Abbacas never fulfilled

1 it's obligations.

2 Q Abbacas.

3 A Abbacas never fulfilled its obligations on
4 their portion of the payment, so --

5 Q That's your testimony, but is that a valid
6 way to divest a property?

7 A I'm not saying I'm the smartest guy, but
8 that's what I did because I thought that that was what they
9 wanted to do. At that point, we were not talking anymore.
10 They owed me so much money it was just ridiculous, so I
11 just said, fine. We'll wash our hands of this. I'll take
12 the house.

13 Q But did you not transfer one-half interest
14 in the lake house back to Abbacas by deed from your
15 attorney?

16 A You guys made me do that on -- well, let me
17 rephrase.

18 Q I believe the Judge ordered you to do that.

19 A Yeah, because it needed to go back until it
20 was figured out who had paid what. Yes, that is correct.

21 Q Okay. All right. Tell me about the
22 insurance on the house.

23 A It still has insurance on the house.

24 Q And who are the named insureds?

25 A The house's named insured is probably Lake

1 Casa.

2 Q And you don't have Abbacas as also a named
3 insured on that?

4 A No, sir.

5 Q Are you sure about that?

6 A Oh, maybe I -- maybe -- I'm not sure.

7 Mr. Ross maybe asked me to do it. I don't know.

8 Q Who's handling that right now?

9 A State Farm.

10 Q I mean, isn't Mr. Ripley in charge of the
11 house and that?

12 A Yes.

13 Q Okay. So you don't know who is the insured?

14 A I'm still paying for insurance on it.

15 Q But you don't know who the policy has a
16 named insured, do you?

17 A For me, or for Mr. Ripley?

18 Q There's one insurance policy on the house,
19 as far as I know.

20 A There's two. I'm still paying on it,
21 because I didn't know -- I never heard from Mr. Ross who
22 was paying the insurance, and I didn't want it to --
23 anything to happen to the house.

24 Q Mr. Ross being Mr. Gray? Is that who you're
25 talking about.

1 A I'm sorry. Mr. Gray. Yeah.

2 Q I just want to make sure that when I read
3 this I understand it.

4 A Okay.

5 Q Okay. Well, I'm looking at a Certificate of
6 Liability Insurance here. I want you to take a look at
7 it. Lawn Reagan.

8 A Okay. At that time, you're correct.

9 Q All right. And that --

10 A We switched.

11 Q -- and that -- who's the named insured in
12 that? If you'll read that, please.

13 A Allen Hood and Justin Jones.

14 Q And why is Justin Jones a named insured?

15 A No idea why he's on there.

16 MR. TAYLOR: I'd like to offer this as the
17 next --

18 (Exhibit No. 11 was filed.)

19 BY MR. TAYLOR:

20 Q Well, did you participate in the acquisition
21 of the insurance in the house?

22 A Yes, I did.

23 Q Okay. But you can't tell me why --

24 A There's no reason why. I mean, I thought
25 the insurance followed the property address, so I didn't

1 know -- I don't know how this happened.

2 Q Okay. Well, let me show something else --

3 A But it's still --

4 Q -- and maybe it will jog your memory a
5 little bit.

6 A Okay.

7 Q Let me show you this. This is to you
8 earlier.

9 A What year is this?

10 Q 2010.

11 MR. TAYLOR: Next exhibit.

12 (Exhibit No. 12 was filed.)

13 BY MR. TAYLOR:

14 Q Who's the named insured there?

15 A Allen Hood.

16 Q So if something happened between 2010 and
17 2012 that made Mr. Justin Jones one of the named insureds,
18 does he own an interest in the house?

19 A Not at all.

20 Q Have you encumbered a house with a loan or
21 anything, a mortgage?

22 A No.

23 Q Is it fully free for transfer, as far as you
24 know?

25 A Besides the assessment from the HOA and the

1 taxes, yes.

2 Q What's the situation with the HOA?

3 A I was making payments until last year -- or
4 I'm not sure when I quit making payments. I was making
5 payments of six hundred dollars a month.

6 Q That was part of your agreement with them?

7 A That is correct.

8 Q And have you been in touch with the counsel
9 for the HOA?

10 A She called -- Kimberly?

11 Q Melinda?

12 A No. Kimberly.

13 Q I don't know. Melinda Meador is one of the
14 other lawyers.

15 A Kimberly called me the other day and asked
16 me what was going on with the payment. I said, We're still
17 in the lawsuit, and we're going to court next week.

18 Q So the HOA hasn't taken any further action
19 as far as you know?

20 A Not that I'm aware of.

21 Q Because originally they were foreclosed on
22 the house for the --

23 A Originally, they did, and that's when we
24 worked out the payment plan?

25 Q And do you remember how much the arrearages

1 were?

2 A No.

3 Q Ballpark?

4 A I don't know.

5 Q Does fifty-three thousand dollars sound
6 familiar?

7 A It's possible.

8 Q Okay.

9 A It's in that area.

10 Q Okay. So you had Destiny, Inc. You owned
11 one-half of it. Abbacas owned one-half of it. You
12 converted to an LLC, correct?

13 A That's correct.

14 Q Did you have an operating agreement for that
15 LLC?

16 A I'm not sure.

17 Q Do you have any sort of membership interest
18 assigned in the LLC?

19 A I'm not sure.

20 Q But you transferred the house to the LLC; is
21 that correct?

22 A That is -- I facilitated it, yes.

23 Q Okay. And then you formed Lake Casa Limited
24 Partnership, correct?

25 A That is correct.

1 Q In South Dakota. And can you tell me why in
2 South Dakota?

3 A It's an FLP. That's what the attorney
4 recommended for any properties that I was holding.

5 Q And are there any other partners in Lake
6 Casa?

7 A No.

8 Q Just you?

9 A Yes, sir.

10 Q So you transferred the property to Lake
11 Casa?

12 A Yes.

13 Q Basically, to you.

14 A That is correct.

15 Q Until the Judge ordered you to send half
16 back?

17 A That's correct also.

18 MR. TAYLOR: All right. Let me just take a
19 second, Your Honor. May I see the MLS listing, the
20 exhibit that was the MLS listings?

21 THE COURT: Well -- okay. You talking about
22 what we were talking about a little while ago?

23 MR. TAYLOR: Yes. Was that G?

24 THE COURT REPORTER: G.

25 THE COURT: It's here. It's right here. F.

1 MR. TAYLOR: F.

2 THE COURT: I did find one marked G though.

3 I've got two of them. That's okay.

4 BY MR. TAYLOR:

5 Q Okay. Take a look at that Mr. Hood.

6 A Okay.

7 Q Do you know what that is?

8 A It's a listing agreement or a listing -- a
9 listing.

10 Q Is that what's called an MLS listing?

11 A It appears to be, yes.

12 Q Who was the owner in the house in that?

13 A Kimberly Hazel.

14 Q Okay. Let me help you here.

15 A Okay.

16 Q Owner name, who does that say?

17 A Hood.

18 Q Hood. Okay. And do you know when this was
19 listed for sale?

20 A It says it was listed on --

21 Q Do you not remember listing it for sale?

22 A No. This is years ago. 2014 maybe. No.

23 Q Is this a separate listing. There's more
24 than one listing, isn't it? It's a separate listing.

25 A Okay. I remember this.

1 Q All right. Go ahead.

2 A What would you like to know?

3 Q Tell me the circumstances when you listed it
4 for sale.

5 A We had talked about selling it. I bought
6 them an offer.

7 Q We, we, we, we. Who is we?

8 A Arthur and I.

9 Q And when did you talk to Arthur about that?

10 A I'm not sure.

11 Q Okay.

12 A I brought them an offer. It was through
13 them. I had to sign a listing to make it a valid deal. I
14 had an offer for, I think, a million, and they said no.
15 Because I wanted to settle our debts and be done.

16 Q Isn't the owner at the time of this
17 listing -- was it both in your name and Abbacas, or was it
18 just in your name?

19 A The listing agreement says Hood, but I'm not
20 sure at that -- I mean, it doesn't even have a date, so how
21 would I know?

22 Q Well, when did a judge ask you -- make you
23 transfer your one-half interest back to Abbacas?

24 A Do you have the record? I think it was a
25 couple of months ago. Oh, it may have been -- I don't

1 know. The last time I was in court.

2 Q Last year -- last year perhaps?

3 A Possibly.

4 Q Okay. So you transferred a piece of
5 property that was owned one-half interest in you and
6 one-half interest in Abbacas and you -- I mean, you tried
7 to sell it as the owner?

8 A Yes.

9 Q Okay. I don't understand. If you're -- if
10 you've got a rental property that you're renting and you're
11 generating income and have a one-half ownership interest in
12 Abbacas, why are you trying to sell it?

13 A Because we were trying to settle our debts.

14 Q Accord to you, you say --

15 A According to me.

16 Q -- you had a conversation with Mr. Rooney?

17 A That's correct.

18 Q And how many times did you list this house
19 for sale?

20 A I'm not sure.

21 Q You don't have any idea?

22 A Well, it appears twice.

23 Q At least twice?

24 A Well, once was because, to make an offer, we
25 had to list it with them. The other one was a company that

1 I owned, and we were going to try to sell it and then let
2 the proceeds -- here was -- the bottom line for selling it
3 was, the proceeds -- they wouldn't be able to close it
4 because there was an affidavit on it. Okay? So to --

5 Q There's an affidavit. What do you mean by
6 an affidavit?

7 A I believe that Mr. Rooney filed an affidavit
8 saying that he was -- and that it couldn't be sold, blah,
9 blah, blah, without his permission. So the --

10 Q And was there not a lien lis pendens to this
11 lawsuit on behalf of Abbacas filed against the house as
12 well?

13 A That is correct.

14 Q All right.

15 A So the money would have gone into an
16 account, and then we could have fought over the money, and
17 I could stop taking care of the property. That was the
18 reason why I was trying to sell it. And then we could
19 fight over it, whatever, but I was tired of taking care of
20 the property.

21 Q And who is Tyler Hitt? Is it Hit (phonetic)
22 or Hite (phonetic)?

23 A Tyler Hitt was a gentleman that I helped
24 out, and he later on -- just like I helped David and let
25 him live in my house for a year.

1 Q And you didn't charge Tyler money to live in
2 your house?

3 A I did.

4 Q How much did you charge him?

5 A I believe it was stated earlier. I'm not --
6 I don't recall.

7 Q Was it nine thousand dollars?

8 A Possibly.

9 Q Did you give one-half of that to the
10 Rooneys?

11 A No.

12 Q Wasn't the house one-half theirs?

13 A It's one-half theirs when they pay for it,
14 is the way I look at it. And I might be wrong, but that's
15 the way I look at it. They never paid their portion, so
16 they're not entitled. They didn't help me take care of it
17 for years. They didn't help me do all the stuff that
18 needed to be done every year to this day. They walked away
19 from the property, so I did what --

20 Q According to you?

21 A According to me, it's -- I mean --

22 Q According to Mr. Ripley, did he not state
23 that there was a lot of things needed to be done to the
24 house?

25 A Currently. The house -- we've had the house

1 for ten years.

2 Q Did you have an agreement with Mr. Hitt to
3 sell the house to him?

4 A I don't think so. I'm not -- I mean, I
5 don't know why I would sell it to him. I mean, I couldn't
6 sell it.

7 Q Well, you didn't have an owner-financing
8 agreement with Mr. Hitt?

9 A No.

10 Q Okay. All right.

11 A No. Because I can't sell it. There's no
12 way for me to sell it.

13 Q I believe the special master [sic] filed
14 some statements on the house.

15 A Okay.

16 Q Did you see those?

17 A I don't recall.

18 MR. TAYLOR: Can we just show --

19 THE COURT: The receiver filed.

20 MR. TAYLOR: Yeah. He's got some tax
21 statements. Was that --

22 THE COURT: The special master didn't file
23 them. The receiver did.

24 MR. TAYLOR: I'm sorry. The receiver.

25 Mr. Ripley.

1 THE COURT: I didn't remember doing
2 anything.

3 MR. TAYLOR: My fault.

4 THE COURT: Well --

5 MR. TAYLOR: Can we see that? I'd like to
6 show it to him.

7 THE COURT: And are they part of this?

8 MR. TAYLOR: I believe it's No. 1, isn't it?

9 THE COURT REPORTER: It was either 1, 2, 3,
10 or 4.

11 MR. TAYLOR: It's one of the first ones.

12 THE COURT: All right.

13 MR. TAYLOR: I think it's got a letter to
14 Ross Gray in the front or from Ross Gray in the
15 front.

16 THE COURT: Well, this is one from Ross
17 Gray. You all talked about that for a while.

18 BY MR. TAYLOR:

19 Q Okay. Mr. Hood, this is Exhibit 1.
20 Mr. Ripley offered that letter from Ross Gray to you. Do
21 you remember this letter?

22 A Okay.

23 Q Do you remember the letter?

24 A Yes.

25 Q Okay. Can you look at these tax worksheets

1 that are attached to the letter?

2 A Okay.

3 Q Do you recall that?

4 A Do I recall --

5 Q These tax returns?

6 A No.

7 Q Can you show me how much income you made off
8 the house?

9 A No. It's not possible, because you don't
10 have the expenses.

11 Q You can show me the gross, can't you?

12 A But the gross is irrelevant unless you add
13 up all the fees of what I paid every month.

14 Q Did you provide any of this to the Rooneys?

15 A No.

16 Q Who prepared these taxes for you, Mr. Hood?

17 A Probably my accountant, Jim Stiles.

18 Q And you didn't discuss these at all? Did
19 you sign them without discussing it?

20 A I don't recall.

21 Q Okay. Schedule E, Income, line 3, what is
22 that?

23 A Line 3 says eighty-three thousand dollars.

24 Q Okay. Is it your testimony that maintenance
25 on the house cost eighty-three dollars during that tax

1 period?

2 A No, sir.

3 Q Then did you split -- what did you do with
4 the rental income? Did you give one-half to the Rooneys?

5 A No, I did not.

6 Q What did you do with it?

7 A I'm not sure. I probably fixed it, and we
8 had three incidences. One was almost sixteen thousand
9 dollars of damage that I paid. The other was three or four
10 thousand. And I have police reports on all that when they
11 broke in.

12 Bottom line is, is eighty-three thousand dollars is
13 a number, but you've got to minus twenty-three thousand
14 dollars for commissions. You've got, you know, utilities.
15 I mean, there's -- there's -- you're making it sound like I
16 pocketed eighty-three thousand dollars.

17 Q No. I'm just asking you -- first of all, I
18 asked you if you thought that the cost would exceed
19 eighty-three thousand dollars, and I believe you said no.
20 There was some income generated by this house, was there
21 not?

22 A Yes, there was.

23 Q Okay. And you kept it, didn't you?

24 A Yes. Or I used it on the house, but anyway.

25 MR. TAYLOR: All right. Your Honor, I think

1 we rest. Notice I said I think. I'm just kidding.

2 THE COURT: You can come down.

3 MR. HOOD: All right. Thank you.

4 THE COURT: Unless you want to testify on
5 your own.

6 MR. HOOD: How does that work? So I can
7 testify?

8 THE COURT: You can testify or not, but what
9 I'm talking about he's rested his case. So you now
10 have a right to put on your case if you want to,
11 which consists probably of you testifying. You can
12 say anything you want short of certain limitations.

13 MR. HOOD: So I can basically tell my story?

14 THE COURT: Sure. If you want to.

15 MR. HOOD: Within reason?

16 TESTIMONY FROM MR. HOOD

17 MR. HOOD: I believe that the -- I believe
18 you have the facts. The facts are on the page in
19 regards to the contract that we last signed. The
20 facts are on the documents that -- of funds improve
21 and funds distributed.

22 The bottom line is, is the house was
23 never -- Abbacas -- I'm sorry -- their company
24 never ever finalized and paid their portion of the
25 lake house. That is the reason why I took the

1 actions that I did.

2 In the past, Arthur, David, and I have had
3 many meetings where Arthur had screwed up the books
4 so bad, that we just said, Forget it. Forty
5 thousand and sixty thousand just went bye-bye.
6 We've flown over to England on numerous occasions to
7 fix Arthur's messes that he created.

8 They also -- they also helped me sell a lot
9 of properties, and I'm thankful for that. But at
10 the end of the day, they didn't fulfill their
11 obligations on the lake house, so I feel in no way
12 that they are entitled to that lake house. I feel
13 that they are in no way entitled to any compensation
14 more than what is spelled out in receipts, copies of
15 certified funds being delivered or wired, checks. I
16 believe all the proof is right there. So that's all
17 I need to say.

18 MR. TAYLOR: If he's testifying, I can
19 cross, correct?

20 THE COURT: Sure.

21 CROSS-EXAMINATION

22 BY MR. TAYLOR:

23 Q Wasn't your agreement that you were going to
24 retain a portion of the commissions?

25 A Reference of which agreement, sir?

1 Q Payment on the lake house.

2 A The last one that was signed, is that the
3 one you're referring to?

4 Q The last one what?

5 A The last document that we signed stating how
6 much they owned.

7 Q I'm talking about your agreement and the
8 price list.

9 A It's all irrelevant, because that document
10 was done afterwards, and it said there was only fourteen
11 properties left. Everything else before that does not
12 matter.

13 Q I don't understand what you say, that
14 document. I guess I'm --

15 A I'm sorry. I'm not sure what exhibit it
16 is. It's got the red letters or -- red lines on it.

17 THE COURT: Well, I ought to be able to find
18 that. Are you all sure you --

19 MR. TAYLOR: It's in there.

20 MR. HOOD: Yeah. It's the one I explained
21 to you how the -- if you pull them apart, they read
22 together across the deal.

23 THE COURT: That's right. You did say that.

24 MR. HOOD: Yes, sir.

25 THE COURT: So it's probably up here near

1 the -- well, I don't know. I know what he's talking
2 about. He's talk about a single -- I don't know
3 where things go to.

4 MR. TAYLOR: You'd think it would stand out,
5 wouldn't you?

6 THE COURT: Yeah.

7 MR. HOOD: There was five or six pages.

8 THE COURT: I was trying to think of what
9 exhibit it was.

10 THE COURT REPORTER: It was either 5 or 6.

11 THE COURT: Okay. Well, let's see.

12 MR. TAYLOR: That's a part of B -- no.
13 That's a part of A. This goes with A. That came
14 out of A. And then -- well, and then all these --
15 oh, I see. You're looking at the -- he's looking at
16 B, 1 through 30. You're talking about Exhibit 5 or
17 6.

18 THE COURT REPORTER: Right.

19 MR. TAYLOR: It's none of these --

20 THE COURT REPORTER: It's when Mr. Hood
21 started marking.

22 MR. HOOD: It's probably right below that
23 notebook page possibly.

24 MR. TAYLOR: Yeah. It's not -- this is all
25 a part of B.

1 THE COURT: Okay. It's not in there either,
2 but --

3 THE COURT REPORTER: It should be around the
4 notebook. It was before the notebook.

5 THE COURT: I think it was too, I mean,
6 because he came in here and talked about it twenty
7 minutes ago.

8 BY MR. TAYLOR:

9 Q Well, I'd like to look at it. Tell me what
10 you say that this is.

11 A The document -- we signed a document in the
12 beginning that stated what we were -- how we were going to
13 do everything, how we were going to sell the properties,
14 the amounts and so forth.

15 Q That's the agreement?

16 A That is the original agreement. That is
17 correct.

18 Q That you followed up with a letter and a
19 price sheet, right?

20 A That is possibly correct. I'm not sure.
21 But that was the original agreement. As time went on,
22 everything got screwed up. The deposits, the transfers,
23 they kept saying that they already sent the money. We
24 would show them where they hadn't.

25 So when -- when all that happened, everything was

1 screwed up. We sat down one night at the lake house the
2 three of us and we went through everything. We spent four
3 hours. David was upset with Arthur because of everything
4 that had happened and the way it was going, so we wrote a
5 new sheet, a new contract, and we all three signed it that
6 night stating how much --

7 Q You're talking about that piece of paper?

8 A Yeah.

9 Q And you said that's a new agreement or an
10 amendment to the old agreement?

11 A That was the --

12 Q I remember it. I would like to look at it.

13 A What we did that night is, we clarified,
14 from here on out, we've got fourteen properties left. What
15 are we going to do with the fourteen properties? How is
16 the remainder of the lake house going to be paid? That was
17 our agreement.

18 Q How many lots total were there?

19 A I'm not sure. Thirty-two, thirty-three,
20 somewhere around there.

21 Q Okay. So you sold how many before this
22 agreement you say is a restatement of a contract?

23 A Nineteen.

24 Q Okay. And what happened to the commissions
25 on those?

1 A They were all paid. That's why we wrote
2 this agreement up is to show, from here on out, this is how
3 much is owed. This is how we're going to do it, and this
4 is how the lake house is going to paid.

5 Q So you credited the Rooneys for their
6 one-half interest in their commission payments --

7 A No.

8 Q -- toward the house? Is that not your
9 agreement?

10 A The agreement was on the houses they
11 closed. They closed nine of those house -- it's all
12 spelled out. All that -- but here's the deal. There's
13 fourteen houses left. Nine of those houses, they actually
14 facilitated the closing. I have documentation on checks,
15 wired funds, credits, everything that -- the way we did it.

16 Q Well, you say that, but you don't have that
17 here.

18 A It's right here, and it's that -- you just
19 looked at it. It was in that binder.

20 Q Unsigned deal sheets. Are there cancelled
21 checks in there? I didn't see them.

22 A Yes, there are.

23 Q I did not see any cancelled checks.

24 A There's cancelled checks. There's wire --

25 Q Well, let me look at that.

1 MR. TAYLOR: Can we not find Exhibit 5?

2 MR. HOOD: And Exhibit 6 actually.

3 THE COURT: Well, I don't have this pink
4 stuff. Are you sure you didn't put it back on your
5 desk?

6 MR. HOOD: Can I look?

7 THE COURT: Yeah, sure.

8 MR. HOOD: Thanks. No.

9 THE COURT: Okay.

10 BY MR. TAYLOR:

11 A These right here, this is a wire transfer,
12 debit. It shows twenty-five thousand dollars.

13 Q And what's this transfer to
14 Incred-I-Builders?

15 A That was for deposits, which is all spelled
16 out. There's a check. There is -- it shows the amount
17 that was for the furnishings.

18 Q The six thousand dollars?

19 A They kept the six thousand dollars. They
20 sent me over seventeen thousand. They kept the six
21 thousand.

22 Q Don't you agree that they were supposed to
23 get six thousand dollars --

24 A You betcha.

25 Q -- from a furniture pack?

1 A You betcha. It's all in here. It's all in
2 there. It even has the settlement statements, what exactly
3 I received, the original contracts, everything is in there.

4 Q There's a lot of stuff without initials and
5 without signatures in here.

6 A This is their contracts that they sent me
7 from their -- their buyers. There's a HUD statements from
8 a viable title company.

9 Q So does this represent the first one ones
10 you sold or the --

11 A No.

12 Q -- or the fourteen that were left?

13 A It represents --

14 Q Nine of the fourteen?

15 A -- nine -- no it represents all fourteen. I
16 gave all the information of what I sold the other ones for.
17 This is when the recession hit, so they were unable to sell
18 to the last people, bottom line because the mortgages went
19 from twenty percent down to forty percent down. So then
20 what I did -- and it's all in here -- I sold the last
21 properties at my cost, what I owed the bank. I was just
22 trying to break even at that point, trying to not have any
23 foreclosures. I ended up foreclosing on two of them,
24 because I couldn't pay the interest anymore.

25 Q What are the interest charges that you

1 attribute to Abbacas?

2 A On which one? It was -- it was all in
3 the -- basically, any deal -- any interest that's in there
4 was because we had talked about it and said, okay, on this
5 deal, we'll do this. On this deal, we'll do this. Because
6 we couldn't close it because they held the deposits. I
7 couldn't give the banker here the deposit money to close it
8 because I didn't have it.

9 Q Well, you say you changed your agreement,
10 but you said there's not anything written that says you're
11 going to do that, is there?

12 A There's not anything written that says I'm
13 going to do what?

14 Q You didn't change your -- you didn't
15 really -- you didn't change your contract where they agreed
16 to shoulder the interest --

17 A Most certainly -- we -- well, yeah. It's
18 right there in the document. Say that again.

19 Q You didn't amend your contract so that --

20 A The first one?

21 Q Yes.

22 A Okay.

23 Q So that you can attribute fifty-five
24 thousand dollars in interest on one property?

25 A It held it for two-and-a-half years. That

1 was just the interest payments I was paying on the house.

2 Q So you -- and let me ask you another thing.

3 A Okay.

4 Q Where are all these other documents you're
5 talking -- you're talking about interest payments for two
6 years. Where are the statements that say that?

7 A Okay. This is -- let's just go to one of
8 them, which is the one I asked him about earlier. Smith,
9 Smith and Spinlove. Okay? This is the deal sheet. Let's
10 say it's --

11 Q Unsigned.

12 A -- let's say it's completely wrong. Okay?
13 But let's go to this right here. Basically, this is an
14 email from the Smiths stating they want to know why they
15 can't close their house. This is the actual -- here are
16 the charges I sent them. I told them that that's what they
17 owed. This is when they closed. This is the agreement and
18 the completion. Notice the completion. This is when the
19 house was finished. The house was finished in 8/10/2007.
20 We didn't close on this house until February 23rd 2009.

21 Q How much interest did you charge to --

22 A Fifty-three thousand is what I paid. It was
23 twenty-five hundred dollars a month or whatever.

24 Q Do you have that document?

25 A Okay. If the house is complete, and I owe

1 three -- wait. Hold on. Let's go back to their original
2 agreement.

3 Q Answer my question. Do you have that
4 document?

5 A In so much, yes.

6 Q Show me.

7 A The contract that says how much we were
8 going to build the house for. Let's just say there was a
9 number of two hundred thousand. It's in the -- it's in the
10 contract, the original agreement, right? So you can do the
11 math on five percent, six percent.

12 Q I don't want to do the math. I want you to
13 prove to me in writing that you can validly charge them
14 a --

15 A Well, how is --

16 Q -- fifty-five thousand dollars in interest.
17 I don't see how you can do that.

18 A Okay. Well, how is a house completed in
19 2007 and sat there. Who paid for the interest?

20 Q That's not their concern. They did what
21 they're supposed to do.

22 A They did not. The reason why I could not
23 close this is the ninety-five thousand dollars. He spent
24 the money. I couldn't -- I couldn't close it with the
25 banker because we didn't have the deposit.

1 Q You know, can you show me that? Can you
2 show me the ninety-five thousand dollars? Can you show
3 me -- you're telling a story, but you're not showing me
4 anything.

5 A Okay. All right. Actually, it's here.

6 Q All right.

7 A There is proof in here that says when they
8 gave Arthur the money. Let me figure out this. This is on
9 October 31st, 2008.

10 Q What is it?

11 A This is an email from -- or to Arthur from
12 Smith, from the purchasers of Lot 6.

13 Q All right.

14 A They contacted me. We still have not
15 received the official closing documentation or even advice
16 that the construction has been completed. Arthur was the
17 one that was -- I never spoke to the people. I --
18 basically, I would -- the only time I spoke to them was
19 when they were mad, and it was most of them?

20 Q Did Arthur close the deals?

21 A Did Arthur --

22 Q Did he do the closings and close the
23 properties?

24 A No. Smoky Mountain Title did.

25 Q Okay. Now, who was -- were you the seller?

1 A No -- yes.

2 Q Yes. Okay. So that's your responsibility,
3 is it not?

4 A It's my responsibility when he deals with
5 all the people and does the real estate transaction and is
6 paid a commission of a hundred thousand dollars a house.

7 Q Wasn't his responsibility just to provide
8 you with leads to sell these properties?

9 A That is incorrect. His responsibility was
10 to facilitate everything. I'm the building.

11 Q Okay.

12 A So I'm --

13 THE COURT: Do you all still want to look at
14 this?

15 MR. TAYLOR: Yeah.

16 MR. HOOD: Yeah. Thank you. And also the
17 other page that was with it. There was the
18 contract.

19 THE COURT: There's a what?

20 MR. HOOD: Whatever number that is, the one
21 previous or the one after.

22 THE COURT: This is 6.

23 MR. HOOD: Okay. Then it would probably be
24 5. And that's the actual contract. I have another
25 copy of it.

1 THE COURT: Here it is right here.

2 MR. HOOD: Yes, sir.

3 THE COURT: Do you want it? Just hold it
4 right there until he gets through bringing the other
5 part.

6 MR. HOOD: Okay.

7 THE COURT: We don't want to lose it again.

8 BY MR. TAYLOR:

9 Q Is this the new contract that you were
10 talking about?

11 A That is not a contract. That is a
12 spreadsheet that states what that contract says.

13 Q May I see that contract? Okay. So you're
14 saying what this contract says is it amends your agreement,
15 a written contract that you had with Abbacas, correct?

16 A This is why we wrote it up that night. We
17 wrote it up to square off. I gave them a -- I gave them
18 sixty thousand dollars. I'll never forget it, because I
19 was so mad. I gave them sixty thousand dollar credit, and
20 I said, I don't care. I'm done. Let's just figure out
21 what we owe from here and be done. And that's the reason
22 why we wrote that contract there.

23 Q You heard Mr. Rooney testify he didn't
24 remember that, right?

25 A That's not -- there's a contract.

1 Q Did you hear Mr. Rooney testify?

2 A Yes, I did.

3 Q Thank you. Can you tell me where the
4 original is?

5 A No, sir.

6 Q Was JT Capital Investments involved in any
7 of these projects?

8 A I'm not sure.

9 Q Are you involved in JT Capital Investments?

10 A (The witness shakes head.)

11 Q Do you know Mr. Jones, Mr. Justin Jones?

12 Are you a partner with Mr. Jones in any --

13 A I don't -- I'm not sure. In regards to what
14 aspect? What was JT Capital, whatever you said?

15 Q I'm just asking you if you were involved in
16 that in any way whatsoever?

17 A I'm not sure.

18 Q Was Mr. Jones involved in any of these
19 transactions?

20 A In any of these transactions as --

21 Q At issue here today.

22 A He was involved with the rental company that
23 they also took from me and didn't pay me the forty thousand
24 dollars, if that's what you're asking. I'm not sure.
25 Summit View, is that what we're talking about?

1 Q I'm trying to figure out how come Mr. Jones'
2 name is listed as a named insured, which is someone who has
3 a --

4 A Yeah. I don't know.

5 Q -- has an ownership interest in the
6 property?

7 A Honestly, I think that was a clerical error
8 by Bond, because we were doing a lot of business with him
9 on other deals probably.

10 Q We being you and Mr. Jones?

11 A Me and Mr. Jones were doing other deals.
12 Yeah.

13 Q And what kind of business were you
14 conducting?

15 A I'm not sure at that time.

16 Q What kind of business did you conduct with
17 him --

18 A What kind --

19 Q -- in general. Maybe not at that time, but
20 tell me what business you --

21 A Well, he helped set up the rental company.
22 I don't understand what's the question. We bought a house
23 together, but he's not involved in any of this. That was a
24 clerical error. I don't know how it got on there. There
25 has never been a lien on the -- I've never received any

1 money for the lake house, never received anything from
2 Justin towards the lake house.

3 Oh, I know -- I know now. The reason why, he was
4 going to put a lien on the lake house because he did -- and
5 I don't have it with me, but he did fourteen thousand
6 dollars worth of Internet marketing for Timber Tops -- and
7 they have all the records on that -- and he told me that if
8 I don't get my money, that -- and I said, it's not my
9 fault. We got into it a little bit because he was -- he
10 did accidentally do some work on the property.

11 Q Accidentally did some work on the property?

12 A Yeah. He -- basically, there's a Google
13 Clicks or something like that, and he clicked the wrong
14 button so he spent more than what he was supposed to, and
15 then was only charging me like, I think, eight hundred
16 dollars a month for Internet marketing for the -- on top of
17 what Timber Tops was paying. I think Timber Tops was
18 paying four hundred dollars a month, and I was paying an
19 additional eight hundred.

20 Q So he was doing work for Timber Tops?

21 A Yes. But also, because I knew him, I said,
22 hey, I need you to help me make sure this thing rents. So
23 I paid him an additional eight hundred, and accidentally,
24 he -- whenever he was doing something and Google -- and I'm
25 not sure how all this goes, but he did something and

1 accidentally spent more money than what he should have, and
2 said, hey, you know, I need to get paid for that one day.
3 And I said okay. But once again, the insurance, I think
4 that was a clerical error.

5 Q Well, it's an interesting coincident, isn't
6 it?

7 A But what -- what base -- I mean, what is
8 it -- what does it have to do with anything? If he wasn't
9 a part of it, he wasn't on it, it's an accident.

10 Q Because if your attorney, Ross Gray, and
11 Judge Blackwood all agree that you should transfer it back
12 to Abbacas, their one-half interest in the property --

13 A Okay.

14 Q -- they should have been named as the named
15 insured as a one-half interest owner in the property.
16 They're not named. You and Justin James are named. That's
17 why it's important, because I'm trying to figure out why.

18 A There's no other document that has his name
19 on it. It was just clerical -- Bond probably wrote the
20 wrong thing on there. I mean, honestly, this is --

21 MR. TAYLOR: I'm through.

22 THE COURT: Is that all? You got anything
23 else to say?

24 MR. HOOD: No, sir. I'm done.

25 THE COURT: All right. You can sit down.

1 MR. HOOD: All right.

2 THE COURT: Do you want to argue?

3 MR. TAYLOR: Well, I can just summarize,
4 Your Honor.

5 THE COURT: Okay.

6 MR. TAYLOR: I think the documents speak for
7 themselves. Obviously, these parties had an
8 agreement, and we've got two sets of documents that
9 counteract each other. We've got Mr. Rooney's
10 complete documentation of all the transactions,
11 which also include numbers that Mr. Hood has in his
12 transaction accounting. Mr. Hood has a partial
13 transaction.

14 I think it's clear that Abbacas, Rooney
15 provided the contacts and facilitated the sales as
16 promised in their agreement, and they're due their
17 one-half commission as -- of their commission, plus
18 they're -- from which he should have taken out their
19 money for their half interest in the house, in the
20 lake house. They're due their commission on the
21 remaining commissions. They're due their six
22 thousand dollar furniture pack commissions. They're
23 due all the monies that are outlined in Mr. Rooney's
24 spreadsheet. So I think it's clear that there was
25 an agreement, because one-half of the agreement was

1 in London and the other half was not in Sevier
2 County. I think the London account -- party got a
3 little bit of the short end.

4 As far as the lake house is concerned, I
5 mean, it's clear there. They formed a corporation.
6 Mr. Rooney went back to England, and then Mr. Hood
7 converted to an LLC, did not transfer their
8 ownership interest, and then sold the -- or
9 transferred the property to Lake Casa. Basically,
10 he took the one-half interest in the lake house that
11 both Mr. Gray -- Mr. Gray admitted, and Judge
12 Blackwood ordered him to return.

13 So, I mean, I think it's just clear, Your
14 Honor. I think that in the absence of the Rooneys,
15 Mr. Hood has played fast and loose with the money.
16 I think that he breached their agreement, and I
17 think it's clear that Mr. Rooney has accounted for
18 the funds that are due him. I think that the Court
19 ought to order the defendant -- and I am not sure
20 about Destiny, Inc. I believe it's defunct.
21 Destiny, LLC, is defunct. But Lake Casa and Allen
22 Hood are the -- that's who's left standing, and I
23 think the Court ought to order them to pay the three
24 point whatever million dollars that's due per their
25 agreement as we've demonstrated here today, Your

1 Honor.

2 THE COURT: Do you think all the stuff that
3 your client's owed is on that one spreadsheet.

4 MR. TAYLOR: Do I think what now?

5 THE COURT: Do you think the amount of money
6 you're asking for and judgement against Destiny or
7 Hood?

8 MR. TAYLOR: Hood and Lake Casa. I'm not
9 sure what Lake Casa --

10 THE COURT: All right. I know -- all
11 right. So those are the two people you're talking
12 about. But I'm just saying, are you asking for --
13 is the amount of money you're talking about on that
14 spreadsheet you're talking about?

15 MR. TAYLOR: There's two spreadsheets.
16 There's the amount due from the lake house, and
17 there's the amount due from the Summit View, which
18 he's accounted for every one of those lots.

19 THE COURT: Okay.

20 MR. TAYLOR: We provided not only that, the
21 deal sheets. We've provided the warranty deeds
22 where they were transferred. It's clear on the
23 warranty deeds, it says person responsible for
24 property taxes and it says UK. I mean, everything
25 validates what Mr. Rooney has said here today, Your

1 Honor.

2 THE COURT: I was going to tell you,
3 Mr. Hood.

4 MR. HOOD: Yes, sir.

5 THE COURT: One of the problems you have
6 when you come to court is you don't have documents
7 on a lot of what you're talking about. Now, I
8 understand I, in this case, denied this motion in
9 limine. Okay? But I certainly am not going to
10 allow you to rely on documents that you don't have
11 with you or which you have furnished to him. So I
12 just thought I'd tell you that, but you got anything
13 to say?

14 MR. HOOD: I'd just like to say basically,
15 the documents -- I agree there was an agreement.
16 There was an agreement between us. It failed. We
17 wrote a new agreement I have documentation in there
18 that states where the monies were given to, proof of
19 the funds being transferred, proof of the checks on
20 all the commissions that were due to them for the
21 last fourteen houses. The facts are in there, and
22 that's all I have to say.

23 THE COURT: Okay.

24 MR. TAYLOR: Your Honor, would you like to
25 have the transcript before you work on your report?

1 THE COURT: Are you all going to prepare a
2 transcript?

3 MR. TAYLOR: Yes.

4 THE COURT: Okay. If you do it, then I'd
5 probably like to see it, because sometimes it's
6 easier to check against. I probably don't need it,
7 but, I mean, I'd probably like to see if you're
8 going to do it anyway.

9 MR. TAYLOR: Okay. We'll talk to the court
10 reporter afterwards.

11 THE COURT: All right. That's all folks.

12 MR. HOOD: Thank you, sir.

13 MR. TAYLOR: Thank you.

14 THE COURT: Thank you. Have a good day.

15 . END OF PROCEEDINGS

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C E R T I F I C A T E

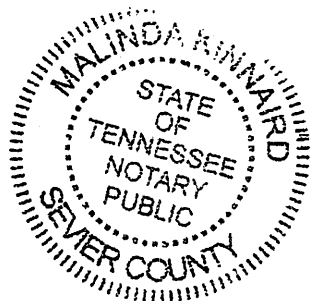
STATE OF TENNESSEE:

COUNTY OF SEVIER:

I, MALINDA R. KINNAIRD, Court Reporter and Notary Public, do hereby certify that I reported in machine shorthand the above proceedings, and that the foregoing pages were typed under my personal supervision and constitute a true and accurate record of the proceedings.

I further certify that I am not an attorney or counsel for any of the parties; nor a relative or employee of any attorney or counsel connected with the action nor financially interested in the action.

This the 16th day of August, 2016.



Malinda Kinnaird

MALINDA R. KINNAIRD

Court Reporter, LCR #435

and Notary Public at Large

My commission expires: October 8, 2019